Canada. Consumer and Corporate Affairs

News Release

News Release Communiqué

Consumer and Corporate Affairs Canada | Consommation et Corporations Canada

NR-85-28 Immediate release

Reform of Tax Rebate Discounting Act

OTTAWA, November 21, 1985 -- Federal Consumer and Corporate Affairs Minister Michel Côté today announced a five-point package of initiatives designed to address comprehensively the various problems associated with income tax rebate discounting, a practice whereby people "sell" their tax refunds to discounters in return for instant cash.

Mr. Côté stressed that the measures he is taking will safeguard the interests of low-income Canadians. The Minister stated that these initiatives will correct serious shortcomings whose impact has been felt by those least able to bear them, while still allowing the continuation of tax rebate discounting services for those who wish to use them.

Mr. Côté highlighted a package of five major reforms:

-- The government intends to implement periodic payment of the Child Tax Credit, thus eliminating the need and opportunity to discount it. Technical issues are under review by the Ministers of Finance, Revenue and Health and Welfare and it is expected that a system can be proposed by early 1986.

-- Maximum allowable rates charged by discounters will be reduced to five per cent on any amount over $300. The rate will remain at 15 per cent for the first $300 of a tax refund which will take into account the preparation cost of a tax return.

-- Simplified procedures will make it easier for financial institutions to advance loans at normal rates on the strength of anticipated income tax refunds.

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-- Information on the true costs of discounting, alternatives to discounting, the speed of tax return processing and the availability of free tax preparation assistance will be provided to taxpayers.

-- Procedures for administering the Tax Rebate Discounting Act will be improved. Limitations on prosecutions under the Act will be extended from six months to two years, thus making it easier to detect and prosecute violators.

"This new policy is in the best interest of both free enterprise and the consumer's right to fairness and choice," Mr. Côté said. "We are allowing discounters to remain in business, and keeping a service available for Canadians. At the same time, we are protecting the consumer from the negative effects of discounting."

Minister of Finance Michael Wilson welcomed the reforms for addressing the most serious concern, the discounting of the Child Tax Credit. "Periodic payment of the Child Tax Credit will insure that benefits reach those for whom they are intended and in a more timely way," he said.

Jake Epp, Minister of National Health and Welfare, remarked that the measures reinforce the government's commitment to making social programs more effective.

Mr. Côté concluded that: "The solutions that I have proposed will virtually eliminate the need to discount Child Tax Credits, will put a cap on the rates that discounters can charge and will also inform consumers of their choices in the marketplace."

The Tax Rebate Discounting Act has no effect on taxpayers in Québec insofar as provincial income tax is concerned, since Québec already prohibits the discounting of these payments.

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Reference: Jacques Labrie
(819) 997-3530

(Version française disponible)

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-- Maximum allowable rates charged by discounters will be reduced to five per cent on any amount over $300. The rate will remain at 15 per cent for the first $300 of a tax refund which will take into account the preparation cost of a tax return.

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-- Procedures for administering the Tax Rebate Discounting Act will be improved. Limitations on prosecutions under the Act will be extended from six months to two years, thus making it easier to detect and prosecute violators.

Alternatives to tax rebate discounting, such as loans by credit unions and caisses populaires on the strength of expected tax refunds, will be facilitated. New information programs will advise consumers of the cost of discounting, available alternatives, the speed of tax refund processing and the availability of free income tax preparation assistance. Enforcement of the Act will be improved, enabling unscrupulous and illegal discounters to be detected and prosecuted more easily.

When all the proposed measures are in place, the need for low-income mothers to take their Child Tax Credit payments to a tax rebate discounter will be eliminated.

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Outlawing the discounting of the Child Tax Credit would have meant that this type of financial service would be available to all Canadians except low-income mothers. Such discrimination cannot be justified, and such a prohibition would be almost impossible to enforce. Periodic payments of the Child Tax Credit will make it available to recipients on a more regular basis throughout the year.

The overall result is that consumers will have more freedom of choice and more complete information.

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November 1985

(Version française disponible)

Backgrounder Documentation

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

TAX REBATE DISCOUNTING

The Tax Rebate Discounting Act protects the interests of persons who "sell" their expected refunds to discounters for a portion of the refund's value. For many years, discounting was unregulated, and discounters often charged 50 per cent of the value of the tax refunds they bought. During the late 1970s, some provinces began to limit the amount discounters could charge. The present federal statute was enacted in 1978, and limits the amount discounters can charge to 15 per cent.

Every year, three out of four Canadian taxpayers have income tax overpayments returned to them. This means that Canadians who choose not to wait for their income tax refunds can turn instead to tax rebate discounters. In exchange for a taxpayer's entire anticipated refund, a discounter will prepare the tax return and pay the taxpayer, usually within two days, a percentage of the refund's value.

Thus, people can obtain cash almost immediately. The price they pay is usually 15 per cent of the refund to which they are entitled.

The practice of tax rebate discounting has been rapidly increasing. The number of reported transactions per year has gone from 7 000 in 1979 to 515 000 in 1985. In 1984, $275 million in tax refunds was discounted, and $41 million of this was kept by discounters.

It should be noted that the Tax Rebate Discounting Act has no effect on taxpayers in Québec insofar as provincial income tax is concerned.

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CCA-1133(10-82)

DISADVANTAGES OF PRESENT SYSTEM

Low-income Canadians make up most of the customers for discounters. In 1984, two out of three persons who discounted had incomes below $8 000, and one out of three had incomes below $2 000.

Child Tax Credit recipients make up almost half of the clientele of discounters. In 1984, $15 to $20 million in Child Tax Credits went to discounters.

THE CONSULTATION PROCESS

Before decisions on reforms were reached, extensive consultations were held with provincial governments, social welfare agencies, tax discounters, business groups, Members of Parliament and the general public. A discussion paper was released in June 1985, and a special conference on the subject was held in August. The Federal/Provincial/Territorial Conference of Ministers of Consumer and Corporate Affairs discussed discounting on September 10, 1985.

Virtually no one wanted to maintain the status quo. Prohibiting discounting was strongly recommended by some, but was unacceptable to others since discounting can provide a useful service. There was no consensus on the best way to solve the problems of discounting. However, the diversion of the Child Tax Credit away from low-income mothers was clearly the single area of greatest concern.

THE REFORMS AND THEIR ADVANTAGES

Five reforms have been initiated.

-- The government intends to implement periodic payment of the Child Tax Credit, thus eliminating the need and opportunity to discount it. Technical issues are under review by the Ministers of Finance, Revenue and Health

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News Release Communiqué

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-85-29

Immediate release

CCAC Minister announces appointment of Superintendent of Bankruptcy

OTTAWA, November 28, 1985 -- Federal Consumer and Corporate Affairs Minister Michel Côté announced today the appointment of Mr. Yves Pigeon to the post of Superintendent of Bankruptcy.

A native of Montréal, Mr. Pigeon graduated from the University of Montréal with a degree in law, and is a member of the Bar of the Province of Québec.

Mr. Pigeon has held various positions within the Department of Consumer and Corporate Affairs since January 1969, including Special Assistant to the Assistant Deputy Minister of Corporate Affairs and Assistant Director of the federal Corporations Branch, until he was appointed Assistant Superintendant of Bankruptcy.

Mr. Pigeon was then loaned to the Québec Government to act as Bankruptcy Registrar of the Superior Court of Québec in Montréal.

In 1982 Mr. Pigeon was named Deputy Superintendent of Bankruptcy and in December 1983 he became Acting Superintendent of Bankruptcy, replacing Mr. Jacques Brazeau who retired from the Public Service.

Mr. Pigeon is also an official receiver under the Bankruptcy Act and holds a trustee licence.

- 30 -

Reference: Jacques Labrie
(819) 997-3530

(Version française disponible)

Canada

News Release Communiqué

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-84-19

Immediate release

Combines Director withdraws motion picture case

OTTAWA, July 31, 1984 -- The Director of Investigation and Research under the Combines Investigation Act, Lawson A.W. Hunter, today announced that he has withdrawn an Application to the Restrictive Trade Practices Commission (RTPC) seeking orders for six major motion picture distributors in Canada to supply Cineplex Corporation with commercially valuable motion pictures.

The Director explained that in line with undertakings made to him last year by the distributors, they will continue to make motion pictures available to all theatres in Canada, allowing them to compete for the pictures on a picture-by-picture basis.

Mr. Hunter noted that when he received the undertakings from the distributors, he had agreed to a 12-month adjournment of a hearing before the RTPC and then to withdraw his Application before the Commission, filed in December 1982, if the distributors were complying with the undertakings.

"Over the past year, we have seen an infusion of competition in the exhibition and distribution markets," the Director remarked, adding that there has also been a

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breakdown of the old alignments between the distributors and certain exhibitors.

As well, in a final report to the Commission, the Director found that the undertakings have improved considerably the timely access to move-over, or second runs, by smaller independent exhibitors.

"There were also important improvements in access to first-run product and quite a change in the distribution pattern of motion pictures," Mr. Hunter said, adding that in light of these conclusions and partly as a result of the recent acquisition by Cineplex of Canadian Odeon Theatres Ltd., there were no longer grounds to proceed with the Application.

The Director noted, however, that there was still cause for concern regarding other practices in the industry and that these have been raised with the industry. He said he had advised both distributors and exhibitors that he will continue to monitor the undertakings and to look into any complaints received.

"I will not hesitate," he concluded, "to apply the appropriate remedies available when the circumstances warrant."

The distributors party to the undertakings are: Columbia Pictures Industries, Inc., Paramount Productions Inc., MCA International B.V. (Universal Films (Canada)), Warner Bros. Distributing (Canada) Ltd., United Artists Corporation and Twentieth Century-Fox Film Corporation.

- 30 -

Reference: Joan Meredith
(819) 997-3146

(Version française disponible)

News Release Communiqué

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-81-14

Immediate release

Report on performing rights released

OTTAWA, April 24, 1981 -- Introduction into Canada's Copyright Act of a performing right for sound recordings to the benefit of producers does not appear to be economically justified, according to a study released today by federal Consumer and Corporate Affairs Minister André Ouellet.

Entitled A Performing Right For Sound Recordings: An Analysis, the study states that not only would such a right be unwarranted, but it would have a net negative effect on some of the major participants in the recording industry in Canada, namely composers, publishers and the small independent producers.

Says the author of the report, Jim Keon: "On the basis of the data gathered and the analysis carried out in the course of this study, it is concluded that the introduction of a performing right in sound recordings to the sole benefit of producers would be clearly undesirable. Economically, the rationale for such a right is weak, since record producers are already the prime beneficiaries when their music is played on the air or in public."

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According to Mr. Keon, the record industry in Canada is healthy and vibrant and, even if this was not the case, a performing right in sound recordings would not be the ideal way to filter funds to the smaller independent Canadian record producers. Royalty fees would result in the majority of funds going to producers holding copyrights in the already successful recordings.

"As a subsidy scheme," he notes, "this would not be desirable, since the producers who most need the money would not be receiving it."

Moreover, establishing such a right only for Canadian recordings of Canadian record producers, as suggested by an earlier study, could have other undesirable effects, the report says. In doing so, Canada would violate at least the spirit if not the legal obligations of the international conventions to which it is a member signatory, an act that would very likely result in negative reciprocal treatment from our trading partners in this product market.

Applying a cost-benefit analysis to the idea of introducing a performing right in sound recordings, the study finds that such a right would have a negative overall impact. It notes: "The groups most likely to suffer are the composers and publishers, who rely heavily on their own performance royalties. With a discriminatory Canadian-only approach, Canadian records would be more expensive to play. Some users may attempt to cut back on the playing of Canadian records."

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It should be noted the views expressed by the author in this report do not necessarily reflect those of Consumer and Corporate Affairs Canada.

- 30 -

Reference: Suzanne Ouellet
Ron Robert
(819) 997-3146

News Release Communiqué

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-81-13 Immediate release

Report on compulsory licensing in the Copyright Act released

OTTAWA, April 24, 1981 -- The compulsory licensing provisions of Canada's Copyright Act governing the mechanical reproduction of musical works should continue to be maintained, according to a report released today by André Ouellet, Minister of Consumer and Corporate Affairs Canada.

Entitled The Mechanical Reproduction of Musical Works in Canada, the report proposes that although the compulsory licensing system as it now stands under the Act governs the mechanical reproduction of musical, literary and dramatic works, the system should be maintained but limited to musical works only.

Explain the report's authors, Mike Berthiaume and Jim Keon: "While sound recordings are the primary mechanisms for exploiting musical works, this is not the case in respect of literary or dramatic works." In considering removal of the licensing system, the report notes that Canadian recording companies would be seriously disadvantaged vis-à-vis their competitors in other countries if this were to happen.

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The report, which examines in detail several different facets of the compulsory licensing system, puts forward various recommendations that the authors feel would contribute to an improvement in the system. Among these are the following:

- Canadian record companies should have the right to record any musical work, once it has been recorded anywhere in the world with the consent of the copyright owner. Failure to provide this right, the report maintains, could result in certain conflicts among various copyright owners who did or did not wish to have their works reproduced in Canada.
- The calculation of the rate of return on the recording of musical works should be on a per tune basis and the rate itself should be amended to reflect current industry practice in Canada. This should be set at two cents per composition plus an additional half cent per minute in excess of five minutes for each record sold.
- A system providing for increases in the rate should be established and subject to review by a tribunal at five years intervals.

...3

- A scheme could be set up for directly funding Canadian composers and lyricists in addition to the rewards provided already in the Copyright Act.

It should be noted that the views expressed in the report are those of the authors themselves and do not necessarily reflect those of Consumer and Corporate Affairs Canada.

- 30 -

Reference: Suzanne Ouellet
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News Release Communiqué

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-81-4 Immediate release

Copyright Act amendment benefits handicapped

OTTAWA, March 3, 1981 -- An amendment to the Copyright Act, announced today by federal Consumer and Corporate Affairs Minister André Ouellet, removes a barrier to the production of "talking books" -- audio-recordings of literary or dramatic works -- for persons unable to read print due to physical handicap.

The amendment adds a subsection to Section 19 of the Copyright Act to exempt from the compulsory licensing provisions under this section of the Act contrivances "intended primarily for and distributed to persons unable to read print."

Under Section 19(1) of the Copyright Act, once the copyright owner of either a musical, literary or dramatic work grants permission to have such a work recorded, it can be recorded subsequently by any party without infringement of copyright, providing notice is given and a stipulated royalty is paid to the copyright owner.

In practice, this section of the Act is used principally in respect of musical works.

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Literary publishers have been reluctant to consent to the creation of talking books, although sympathetic to the aims of organizations who wished to make them, in view of the compulsory licensing provisions and the applicable royalty which was designed principally with the music and recording industries in mind.

"I am particularly pleased," Mr. Ouellet said, "at the co-operation of all parties concerned, especially the Canadian recording and publishing industries and the writing community, who have made it possible for this amendment which benefits the physically handicapped to be made during the Internation Year of Disabled Persons."

The amendment of the Copyright Act was made through the Miscellaneous Statute Law Amendment Act 1981.

- 30-

Reference: Nicole Hudson
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News Release Communiqué

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-80-21 Immediate release

Report on cable TV copyright obligations released

OTTAWA, November 18, 1980 -- Proposals that cable television operators be required to pay copyright fees for their retransmissions of over-the-air broadcasts do not appear economically justified, according to a report released today by Consumer and Corporate Affairs Canada.

Entitled "Copyright Obligations for Cable Television: Pros and Cons," the report finds that contrary to the widely-held belief that Community Antenna Television (CATV), or cable operators, decrease advertising revenues of over-the-air broadcasters, they in fact help to increase such revenues.

For this reason, says the report's author, S.J. Liebowitz, there is no economic justification for imposing copyright payments on cable operators.

Basing his results on several diverse findings, Professor Liebowitz points out that his report's conclusions are "contrary to the expectations held by most researchers in the field. It invalidates the arguments for most copyright proposals put forth in this area."

If cable operators should be required to pay copyright fees, then other arguments for such payment must be presented, the report concludes. "CATV should not be a target for

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copyright payment just because it is a growing business. Rational economic arguments should be the centre of a discussion regarding copyright payments."

This is not to say that cable companies shouldn't pay a copyright fee, the report notes. "We are saying that no arguments extolling the virtues of CATV copyright payments have been made which have not relied on the assumption that CATV reduces broadcasting revenues. Our work suggests that these proposals be discarded."

The report is the first in a series of studies prepared for the Research and International Affairs Branch of Consumer and Corporate Affairs Canada's Bureau of Corporate Affairs. The studies were initiated to provide a better understanding of some important problems and issues involved in the revision of the Canadian Copyright Act, responsibility for which lies with Consumer and Corporate Affairs Canada. The analysis and conclusions of these studies are those of the authors themselves and do not necessarily reflect the views of the department.

- 30 -

Reference: Suzanne Ouellet
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Executive Summary

This paper examines the economic justification of imposing copyright payment on CATV (also known as Cable) operators for their retransmission of over-the-air broadcasts. The analysis is conducted on both a theoretical and empirical level. Our major finding is that CATV increases advertising revenues and that imposition of copyright payments on Cable appears unjustified.

In the theoretical section we examine the rationale behind various copyright proposals put forth by Keyes and Brunet, the Economic Council of Canada, and other interested parties. The key assumption implicit in each proposal is the belief that CATV reduces advertising revenues of over-the-air broadcasters and thus copyright payments made by said broadcasters. In each case the motive behind the copyright proposal is to re-establish the copyright payments back to a level which would occur without the existence of CATV.

These proposals differ in the approach taken to re-establish these revenues. In each case, the group in the population which is required to pay the amount necessary to keep these copyright payments from being reduced by CATV is different from the group which would have paid without the existence of CATV. In the text we suggest alternatives which, when compared to these proposals, are most likely to have copyright payments being made by the same segment of the population which would generate these payments without the interference of CATV.

In the paper we also present a short discussion of the advantages and disadvantages of the system used to generate copyright payments prior to including CATV in the generation of these payments. In other words, we discuss the merits of the present system of supporting television programming with advertising revenues. No policy conclusions are made with respect to this subject.

The second half of this paper is concerned with estimation of the impact of CATV on over-the-air broadcasting revenues. There are several ways in which CATV influences revenues of broadcasters.

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CATV is known to cause "market fragmentation". In other words viewers in a given locality who might have access to one station, say station X, prior to the introduction of CATV will have, after the introduction of CATV, many more stations which they may watch. Station X's share of the local audience will drop because people on Cable will watch some of the distant stations brought in by Cable. The loss of viewers to station X is the gain to distant stations. On the other hand, viewers in distant localities will be able to watch station X on their Cable and this will tend to increase station X's audience. Even if station X's total audience remains the same, the average distance from transmitter to viewer has increased. This is market fragmentation.

This fragmentation is thought to reduce advertising revenues because advertisers in a given locality might not value viewers in a distant locality as much as they value local viewers. This is due to the fact that distant viewers are less likely to patronize local establishments since these viewers would have to travel a long way to reach them. The existence of national or regional advertisers with outlets in many localities mitigates the impact of market fragmentation since these advertisers are likely to place similar values on viewers in all localities.

We measure the potential impact of fragmentation by determining the relative values of local and distant viewers to advertisers. Our statistical techniques allow us to determine the average advertising rate per person for distant viewers and for local viewers. We find that in general, local viewers are worth twice as much as distant viewers to advertisers. Our confidence in these results is not extremely high due to several factors. First, these results are barely statistically significant; in other words, they are likely to occur by chance one out of twenty times. Second, when we compare the value of local versus distant viewers for local advertisers, the local viewers are worth no more than the distant viewers, contrary to expectations. Third, our data collection regarding local and distant viewers is not very precise and the chances for mistakes are high.

We then estimate the greatest possible decrease in advertising revenues given our previous results. Twenty-six percent of television viewers in Canada are located outside of the broadcaster's local area. We assume that there

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would be no distant viewers without the existence of CATV (a very unlikely assumption). The reduction in advertising revenues if distant viewers are half the worth of local viewers to advertisers would be 13 per cent. This is most likely an overstatement of the impact of market fragmentation.

CATV will likely have positive effects on advertising revenues which may or may not counteract the impact of market fragmentation. Since CATV increases the choice of programs available to viewers and since they are willing to pay for CATV, it must be the case that Cable makes television a more attractive entertainment medium. If viewers' valuation of television increases because of Cable we would expect that they either watch more television or watch television more intensely or some combination of these two behavioral changes.

We measure the change in viewing habits brought about by Cable in several ways. First we investigate the relationship between changes in viewing habits and changes in Cable penetration (the percentage of homes in a locality which subscribe to Cable). We expect that those areas which experience large increases in Cable penetration will also experience large increases in television viewing due to the greater diversity of programs available with Cable. This is not the case, however. We find no relationship whatsoever between these variables.

In a second test of the same hypothesis we examine the relationship between the level of Cable penetration in an area and the amount of time people spend watching television. Once again, no relationship is found, contrary to our expectations.

Since viewers obviously value CATV, we must conclude that if they don't watch more television then they must get greater value from the programs that they watch. With the greater diversity of programs brought about by Cable we would expect that viewers would be more likely to find a program which more closely matches up with their tastes in any given time slot. This is the final hypothesis which we test.

Viewers paying close attention to their televisions are more likely to be receptive to television commercials than those viewers who are paying less attention. If one

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is not following the plot of the program, it seems unlikely that one could be aware of the content of an advertising message. Therefore, we would expect advertisements to be more effective with attentive viewers and advertisers to value these advertising time slots more highly. Thus Cable, to the extent that it increases viewing intensity, should increase advertising revenues.

The empirical implementation of this hypothesis requires comparison of television advertising rates and the percentage of viewers on Cable for different stations. The latter variable is not directly available. Fortunately, we are able to find a proxy for this variable which is available. This proxy, known as the Herfindahl index, is normally a measure of market concentration. It is related to Cable penetration because people on Cable tune to a greater variety of stations and thus the concentration of leading stations in the market is lower than for areas with less Cable usage.

The relationship between the Herfindahl index and advertising rates (after taking account of the influences of many other variables) is quite strong (statistically significant). High Herfindahl indices (which imply low Cable penetration) are negatively related to advertising rates. This, of course, means a positive relationship between advertising rates and Cable penetration. We estimate that Cable is responsible for a 19.6 per cent increase in advertising revenues. This result includes any influence of the local/distant audience relationship. This finding of the beneficial impact of Cable on advertising revenues is the key result of this paper. It is contrary to the assumptions made by those who have focused only on market fragmentation and proposed the imposition of copyright payments on CATV because of this focus.

Additional evidence is gathered in support of this last finding. Examination of advertising revenues over time does not indicate a negative impact of Cable. Interprovincial differences in advertising rates are shown to be positively related to Cable penetration. We thus have several pieces of evidence supporting our conclusion that CATV increases advertising revenues. The policy implication of this result is that there is no justification for imposition of copyright payment on Cable systems.

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The final section of this study is contained in the Appendix. This section is a more precise evaluation of the previously discussed impacts of cable on broadcasters using a data set not available at the time of the original study. Some new and interesting results are generated but the basic conclusions from the original results are unaltered.

This last section also attempts to examine the impact of cable on the viewing of American broadcasts by Canadians. There is evidence that cable does increase the viewing of American stations relative to Canadian stations. This shift towards American stations is detrimental to Canadian broadcasters. However, the positive effects of cable on Canadian broadcasters more than offset this negative impact. The conclusion that Canadian broadcasters are benefitted by cable is more appropriate to broadcast policy than copyright policy but its importance deemed its inclusion necessary.

News Release Communiqué

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-79-6

Immediate release

Bill to amend Trade Marks Act introduced in Senate

OTTAWA, February 6, 1979 -- Federal Consumer and Corporate Affairs Minister Warren Allmand today announced that a bill to amend the Trade Marks Act was introduced in the Senate.

The bill is intended to protect consumers from deception, increase competition in Canada and streamline the operations of the Trade Marks Office.

"The advantages for the Canadian consumer will become evident in the form of more competitive prices, fair and honest comparative advertising and reduced consumer deception as to the origin and quality of goods," Mr. Allmand said.

The bill will now prevent a Canadian trademark owner from using it as a means to charge higher prices to Canadians than what is charged for the same product in other markets.

The proposed law also states that advertisers must not make misleading statements when trademarks are used in comparative advertising. This should increase competition and reduce the prices of certain goods, since comparative advertising encourages comparison between new and established products.

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The provisions covering licensing will ensure that consumers of any goods and services can rely on a licensed trademark as an indication of quality.

To increase both efficiency and services to the public, the bill would also permit the introduction of administrative changes in the Trade Marks Office, including the use of computers.

- 30 -

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Nicole Hudson (819) 997-3146

News Release Communiqué

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-78-74

Immediate Release

Shipping Conference Report Released

OTTAWA, November 23, 1978 -- Legislative changes are needed to increase price and service competition among shipping lines in Canada, according to a report released today by Consumer and Corporate Affairs Canada Minister Warren Allmand.

Shipping Conferences in Canada, a study by Professors Ingrid Bryan and Yehuda Kotowitz of the Institute for Policy Analysis, University of Toronto, finds that the costs of shipping goods to and from Canadian ports are often too high and discriminatory.

The report recommends policy changes to make shipping services more responsive to Canadian interests.

Shipping conferences, associations of shipping lines that fix freight rates in international trade routes, are currently exempt from the antitrust prohibitions of the Combines Investigation Act. This exemption is due to expire in March 1979.

The report notes that the international nature of the shipping industry makes it difficult for the Canadian government to regulate conferences or to enforce anti-competition legislation. It proposes a number of modifications to limit the power of conferences operating in Canada.

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To make conferences more responsive to Canadian needs, and make rates from different Canadian ports reflect actual costs, it would prohibit interconference agreements and joint U.S.-Canada conferences. At present, interconference agreements are used to equalize rates from different ports, discriminating against certain areas such as the Maritimes. And many of the 48 conferences operating in Canada are joint conferences dominated by lines serving the United States.

To increase price and service competition among shipping lines within a conference, the report recommends prohibiting arrangements which allocate ports, cargo or revenue among members.

To encourage competition from non-conference shipping lines, it would prohibit dual rates and loyalty contracts. These are devices used to exclude outside competition by offering price advantages to consumers in exchange for agreements to deal exclusively with conference members.

To prevent price discrimination, it recommends that freight rates be based on a uniform price per container, rather than discriminating between different goods. Conferences apply higher rates for high-value cargo such as manufactured goods, and lower rates for low-value cargo such as raw materials.

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A number of suggestions are also offered to strengthen the Canadian Shippers' Council, an organization of clients of shipping lines, to enable it to negotiate more effectively with the conferences.

- 30 -

Reference: Suzanne Ouellet
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News Release Communiqué

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-78-52 Immediate release

New Source of Royalties for Copyright Owners

OTTAWA, July 25, 1978 -- Consumer and Corporate Affairs Canada Minister Warren Allmand today announced some encouraging news for owners of Canadian copyrights.

"Under the provisions of the new Copyright Act of the United States, Canadian copyright owners may have a claim for royalties if works which they have licensed for broadcast by Canadian broadcasters have been retransmitted by American cablevision companies," the Minister said.

Under the new United States Act, statements of broadcasts carried by U.S. cablevision companies since January 1 of this year must be filed by these companies with the Copyright Office in Washington, D.C. The U.S. Copyright Office will collect royalties payable by cablevision companies and will make information available for searches by copyright owners.

Only Canadian distant (i.e. not available over-the-air in the cable systems community) broadcast signals carried by U.S. cablevision companies within an area 150 miles south of the U.S.-Canada border, or south from the border to the 42nd parallel, whichever distance is greater, are appropriate for claims.

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Thus, if copyrighted works such as films and music have been licensed to be broadcast by Canadian broadcasters, and have been lawfully carried by American cable systems within the prescribed geographic area, the copyright owners are entitled to share in the royalties collected by the U.S. Copyright Office and distributed by the U.S. Copyright Royalty Tribunal.

Canadian copyright owners who feel they may have a legitimate claim must write to the Copyright Royalty Tribunal, 1111 20th St. NW, Washington D.C., 20036 by July 31, 1978. The claim, for the first six months of 1978, should be entitled "Filing of Claim to Cable Royalties" and should include the following information:

- the full legal name of the copyright owner/claimant,
- the claimant's address,
- a general statement of the nature of the copyrighted work,
- the identification of at least one occasion on which the copyrighted work has been retransmitted by a U.S. cable system,
- if possible, the call letters of the broadcast station, the name of the cable system and the date of broadcast/retransmission.

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Any inquiries may be addressed to Mr. Thomas C. Brennan, Chairman of the Copyright Royalty Tribunal, Washington, D.C., or to the Research and International Affairs Branch, Bureau of Intellectual Property, Consumer and Corporate Affairs Canada, Ottawa.

- 30 -

Reference: Barry Torno
(819) 997-2195

NEWS RELEASE
COMMUNIQUÉ

NR-78-17

Immediate release

Statement by Minister of Consumer and Corporate Affairs Canada
Hon. Warren Allmand

OTTAWA, March 17, 1978 -- Consumer and Corporate Affairs Canada Minister Warren Allmand today released the following statement as a result of External Affairs Minister Don Jamieson's announcement that the Canada-France Trade Agreement will be terminated on March 15, 1978.

"On December 15, 1977, the Canadian government gave notice of its intention to terminate the Canada-France Trade Agreement. This 1933 Agreement provided that no Canadian producer could use certain French geographical terms (called "appellations of origin") to describe products made in Canada.

"An appellation of origin is a name applied to a product to show that the product originates in a specific area and that such product has specific qualities and characteristics.

"Over 400 appellations, including appellations such as "champagne" were covered by the Canada-France Agreement. As a result, Canadian wine producers who have been marketing the product under the name "Canadian Champagne" for many years were recently sued by French producers and successfully prevented from describing their product in this way.

"Since the Agreement provides for termination on three months notice and since it no longer provides for a balanced exchange of advantages between Canada and France, notice of termination was given by the government on December 15, 1977 and will take effect on March 15, 1978.

"With the termination of this Agreement, the government is now free to propose comprehensive legislation to govern appellations of origin in a way that is fair and realistic to all producers.

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"It is proposed that protection of appellations of origin be based on a trademark registration system and be included in the upcoming general revision of the Trade Marks Act. The proposed legislation would allow for the registration of two additional types of certification marks, which marks indicate that the products associated with them meet certain standards. These standards, which are defined by the owner of the mark, are not publicly known at present. By treating appellations of origin as certification marks, we will have these standards placed on our records, which will be available to the public.

"The first type covers the name given to a product which indicates that the product comes exclusively from a geographical area and that this product has certain distinct qualities or characteristics (e.g. OKA cheese originating in Oka, Québec, could be one example of this type of mark).

"The second type covers the name given to a product which originally indicated that the product came from the geographical area bearing the name and that this product had certain qualitites or characteristics. Because the name has been used on comparable products coming from other geographical areas, it has ceased to indicate products coming exclusively from that area. Rather it now only indicates products that have those certain qualities or characteristics. (e.g. cheddar cheese, originating in Cheddar, England, is now used to indicate a product with certain qualities and could be an example of the second type of mark).

"The decision as to whether appellations of origin belong to the first or second type of certification mark would be decided initially by the Registrar of Trademarks and ultimately by the Court, if the Registrar's decision were appealed.

"In proposing this new system, I wish to make known, both to foreign and domestic producers, the government's intention to provide a fair and realistic system to govern the use of appellations."

"In addition, I wish to assure consumers that the use of confusing or misleading appellations will not be permitted.

The government intends to hold discussions with appropriate domestic and foreign interests as soon as possible and, in any event, before the proposed legislation is finalized."

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Ref.: Corinne Robertshaw
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"Il est proposé que la protection accordée aux appellations d'origine s'inscrive dans le cadre de l'enregistrement des marques de commerce et soit intégrée à la nouvelle Loi sur les marques de commerce. Les mesures législatives permettraient l'enregistrement de deux nouvelles marques de certification, ce qui signifierait que ces produits répondent à certaines normes. Ces normes, définies par le propriétaire de la marque, ne sont pas encore connues du grand public. En considérant les appellations d'origine comme des marques de certification, nous pourrons verser ces normes à nos dossiers, que le public pourra consulter.

"La première marque de certification s'appliquerait aux appellations qui se conforment à la norme définie pour la marque et qui sont vraiment caractéristiques des produits qui proviennent d'une certaine région géographique (par example, le fromage d'Oka qui provient d'Oka, au Québec).

"La seconde marque de certification viserait les appellations qui ont perdu leur caractère distinctif quant à leur origine géographique mais non quant à la norme définie pour la marque. Ces appellations pourraient être utilisées pour des produits provenant de n'importe quelle région géographique, pourvu qu'ils adhèrent à la norme établie (par exemple, le fromage Cheddar, qui, à l'origine, provenait de Cheddar, en Angleterre, mais qui est aujourd'hui un fromage bien particulier.

"La question de savoir si une appellation d'origine appartient à la première catégorie ou à la deuxième sera d'abord tranchée par le Régistraire des marques de commerce, et éventuellement par les tribunaux s'il devait être fait appel de sa décision.

"En proposant ce nouveau système, je tiens à signifier aux producteurs canadiens et étrangers que le gouvernement entend mettre sur pied un régime juste et réaliste d'emploi des appellations.

"En outre, je veux assurer les consommateurs que l'utilisation de marques trompeuses ou équivoques ne saurait être autorisée.

"Le gouvernement a l'intention d'avoir des entretiens avec les premiers intéressés, au pays et à l'étranger, dans les plus brefs délais, au cours de l'élaboration des mesures législatives."

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Renseignements: Corinne Robertshaw
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NEWS RELEASE
COMMUNIQUÉ

CP-78-17 Publication immédiate

Déclaration de Warren Allmand
ministre de Consommation
et Corporations Canada

OTTAWA, le 17 mars 1978 -- Warren Allmand, ministre de Consommation et Corporations Canada a aujourd'hui fait la déclaration suivante, suite à l'annonce par Don Jamieson, ministre des Affaires extérieures, de la dissolution, le 15 mars 1978, de l'Accord commercial Canada-France.

"Le 15 décembre dernier, le gouvernement canadien proclamait son intention de mettre un terme à l'Accord commercial Canada-France. Cet accord, qui remonte à 1933, prévoyait que nul producteur canadien ne pouvait employer certaines expressions géographiques, ou appellations d'origine, pour décrire des produits fabriqués au Canada. Une appellation d'origine est le nom que porte un produit pour indiquer que celui-ci provient d'une région bien précise et qu'il renferme des propriétés particulières.

"Plus de 400 appellations, y compris celle de "champagne", étaient protégées par l'Accord. C'est pour cette raison que récemment, des producteurs canadiens de vin canadien qui vendaient du "champagne canadien" depuis de nombreuses années ont été amenés devant les tribunaux par des producteurs français et empêchés de décrire leur produit de cette façon.

"Comme l'Accord peut être dénoncé sur préavis de trois mois et qu'il ne procure plus au Canada et à la France des avantages équilibrés, le gouvernement a proclamé son intention, le 15 décembre 1977, d'y mettre un terme le 15 mars 1978.

"Le gouvernement sera dorénavant en mesure de proposer une législation générale qui régira les appellations d'origine d'une façon réaliste et juste pour tous les producteurs.

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NEWS RELEASE
COMMUNIQUÉ

NR-78-11 Immediate release

Deadline Extended on Copyright Briefs

OTTAWA, February 15, 1978 -- Consumer and Corporate Affairs Canada Minister Warren Allmand today announced an extension of the deadline for submission of briefs on Canadian copyright law revision.

The study "Copyright in Canada: Proposals for a Revision of the Law," commissioned by CCAC, was published in March, 1977. At that time the public was invited to comment on the study. "The briefs submitted to date are excellent, but numerous requests for an extension of the January 31, 1978 deadline have been received," Mr. Allmand said. Due to these requests, the deadline has been extended until March 31, 1978.

Because of the extended deadline for submissions and the department's need for adequate time to study and analyse the additional briefs, the proposed spring copyright conference will be postponed until late 1978. Details of the conference will be made public in a future announcement.

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Reference: Nicole S. Hudson
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Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NEWS RELEASE
COMMUNIQUÉ

CP--78-9

Publication immédiate

La DMC accroît son efficacité

OTTAWA, le 6 février 1978 -- La Direction des marques de commerce a procédé à des modifications en profondeur de deux unités de travail afin d'en améliorer le fonctionnement, a annoncé aujourd'hui le ministre de Consommation et Corporations Canada, M. Warren Allmand.

L'introduction de nouvelles pièces d'équipement et le réaménagement du travail de l'unité de transcription permettra d'en accroître de 40% l'efficacité en plus de réduire le personnel de quatre années-hommes. De son côté, l'unité du traitement des demandes a déjà accrû de 20% son efficacité grâce à l'installation d'un terminal de collecte de données relié à un puissant ordinateur.

Trois nouvelles machines pour le traitement des textes ont récemment été installées à l'unité de transcription, chargée de dactylographier toutes les formules et lettres en rapport avec les demandes d'enregistrement de marques de commerce. En tout, six pièces d'équipement moderne remplacent les 12 anciennes machines de l'unité, ce qui permettra de réduire de 33% les années-hommes affectées à l'unité de travail.

Les titulaires des quatre postes concernés ont été relocalisés dans la Direction ou ailleurs au ministère et le nouveau système est maintenant en vigueur.

L'emploi de nouvelles machines apportera des avantages appréciables au personnel de l'unité: le travail sera mieux planifié, prendra moins de temps à accomplir, et le nombre de

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formules utilisées pourra être réduit. En raison du temps gagné par ces diverses mesures, le personnel pourra diversifier ses tâches.

Grâce au nouveau système mis en place, l'unité de transcription économisera près de 40% de son budget annuel, soit une somme d'environ $30,000.

L'unité du traitement des demandes réalisera elle aussi des économies appréciables grâce à l'installation du nouveau système pour la collecte de données. Les informations relatives aux demandes d'enregistrement d'une marque de commerce peuvent ainsi être traduites en langage informatique, puis transmises à un puissant ordinateur du ministère.

Les données recueillies serviront non seulement aux opérations quotidiennes de l'unité du traitement des demandes, mais permettront d'éliminer un dédoublement de tâches dans la production de documents officiels et du Journal des marques de commerce.

Deux années-hommes ont pu être coupées par l'emploi du système de collecte de données, ce qui représente une économie annuelle d'environ $15,000.

"L'initiative de la Direction des marques de commerce est importante à trois points de vue: elle permettra d'accroître considérablement l'efficacité des deux unités, elle contribuera à réduire le délai nécessaire au traitement d'une demande de marque de commerce, et elle se traduira par des économies appréciables," a déclaré M. Allmand.

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Renseignements: Nicole S. Hudson
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With the installation of this new system, the transcribing unit will reduce its annual budget by nearly 40 per cent or $30,000.

The use of the new data entry system will also permit an appreciable monetary saving for the Application Processing Section, which extracts information from trade mark applications and translates it into a computer readable form.

This equipment is used daily to transmit information to the computer where a variety of documents and data is archived for future use by the Trade Marks Office in the subsequent application-processing steps. This procedure will eliminate much of the existing duplication of work in retrieving data for the production of the Trade Marks Journal and other branch documents.

The data entry system will provide a cut-back of two man years, that is an annual saving of approximately $15,000.

"I feel it is important to stress this endeavour since the advantages are three-fold: the reduction of time spent processing a trade mark application; the improvement of units' efficiency and a substantial monetary saving," concluded Mr. Allmand.

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Reference: Nicole S. Hudson
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NEWS RELEASE
COMMUNIQUÉ

NR-78-9 Immediate release

CCAC Increases Efficiency

OTTAWA, February 6, 1978 -- Consumer and Corporate Affairs Canada Minister Warren Allmand today announced that two units of the Trade Marks Branch are undergoing extensive modifications resulting in greatly improved production.

The introduction of new equipment and the redistribution of work in the transcribing unit will allow a 40 per cent increase in efficiency and a cut-back of four man-years. In addition the installation of an intelligent data entry system in the Application Processing Section has already afforded a 20 per cent efficiency increase.

Three new word-processing machines were recently installed in the transcribing unit which handles all forms and letters relating to trade mark applications. In all, six machines will replace the existing 12, resulting in a 33 per cent man-year reduction.

The four employees affected by this changeover have been relocated within the branch, or elsewhere in the department, and the new system is now fully operational.

The use of these machines will bring appreciable advantages to the personnel in the section: work will be better organized, taking less time to complete, and the number of forms will be reduced.

Due to these time-saving devices, employees will be able to diversify their duties.

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NEWS RELEASE
COMMUNIQUÉ

NR-77-84

Immediate release

Additional Classification Symbols for Canadian Patents

OTTAWA, December 20, 1977 -- Additional classification symbols now being assigned to all Canadian patent documents processed by the Patent Office of Consumer and Corporate Affairs Canada will make it easier for foreign countries to include Canadian patent information in their search and retrieval systems.

The decision to begin using the symbols, part of the International Patent Classification ("Int. Cl.") developed through the cooperation of several nations, was announced today by Consumer and Corporate Affairs Canada.

Classification examiners have been assigning the "Int. Cl." symbols to all allowances processed by the Classification and Search Systems Division of the department's Patent Office since September 7 of this year. It is expected these will begin appearing on the front cover of Canadian patents issuing early in 1978.

The department noted that when foreign countries receive these documents they will be able to fit them into their storage and retrieval systems. Use of the symbols will also allow such services as the International Patent Documentation Centre (INPADOC) in Vienna, Austria, to complete their data base and include Canadian information.

The International Patent Classification, which allows patent documents dealing with any aspect of technology to be identified and retrieved, had been studied for several years by the Patent Office of Consumer and Corporate Affairs.

Tests and pilot projects were conducted to compare it with Canada's existing classification system. Although the Canadian system was found to be better, it was decided that incorporating the "Int. Cl." symbols into the Canadian system would be a valuable additional service to Canadians.

"Publication of the International Patent Classification will further improve our services to Canadians in general, and the patent profession will undoubtedly find it very useful to compare our Canadian classification to that of many European countries," said a departmental spokesman.

The International Patent Classification is the result of several years of negotiation among the intellectual property authorities of various countries.

The framework of these negotiations originated in a multilateral international treaty called the European Convention on the International Classification of Patents for Invention, concluded in 1954 under the aegis of the Council of Europe.

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Work continued on improving the classification system from 1967 to 1971.

Finally, a new treaty was negotiated and signed under the joint auspices of the World Intellectual Property Organization and the Council of Europe. It is known as the Strasbourg Agreement Concerning the International Patent Classification and came into force in 1975. At that time, the administration of the International Patent Classification became the sole responsibility of the World Intellectual Property Organization, of which Canada is an active member.

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Reference: Nicole S. Hudson
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Le cadre de ces négocitations a pris forme lors d'un traité international multilatéral, la Convention européenne sur la classification internationale des brevets d'invention, conclu en 1954 sous l'égide du Conseil de l'Europe.

Le travail d'amélioration du système de classification s'est poursuivi de 1967 à 1971.

Finalement, un nouveau traité a été négocié et signé sous les auspices de l'Organisation mondiale de la propriété intellectuelle et du Conseil de l'Europe. Intitulé Arrangement de Strasbourg concernant la classification internationale des brevets, il est entré en vigueur en 1975. A ce moment-là, l'application de la "Int. Cl." devint la responsabilité exclusive de l'Organisation mondiale de la propriété intellectuelle dont le Canada est membre actif.

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Renseignements: Nicole S. Hudson
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En outre, des organismes tels que le Centre international de documentation de brevets (INPADOC) à Vienne (Autriche), pourront compléter leur base de données et y insérer des informations sur les brevets canadiens.

Depuis déja plusieurs années, le Bureau des brevets de Consommation et Corporations Canada étudiait soigneusement la classification internationale des brevets, qui permet de répertorier et de récupérer toutes les données techniques contenues dans les brevets.

Des essais et des études pilotes ont été menés afin de comparer ce système à notre système actuel. Bien que le système canadien se soit révélé meilleur, il a été décidé que l'introduction des symboles "Int. Cl." dans le système canadien constituerait un précieux service supplémentaire aux Canadiens.

Le porte-parole du ministère a ajouté que la publication de la classification internationale des brevets améliorerait les services offerts aux Canadiens en général et que les spécialistes des brevets trouveraient sans aucun doute utile de comparer notre classification à celle des Européens.

La "Int. Cl." est le fruit de plusieurs années de négociations entre les experts en propriété intellectuelle de divers pays.

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NEWS RELEASE
COMMUNIQUÉ

CP--77-84 Publication immédiate

Symboles additionnels pour la classification des brevets canadiens

OTTAWA, le 20 décembre 1977 -- Il sera désormais plus facile aux pays étrangers d'introduire des informations sur les brevets canadiens dans leurs systèmes de recherche et de récupération grâce aux symboles additionnels pour la classification de tous les brevets canadiens traités au Bureau des brevets du ministère de Consommation et Corporations Canada.

La décision d'utiliser les symboles de la Classification internationale des brevets ("Int. Cl.") élaborés avec la participation de plusieurs nations, a été annoncée aujourd'hui par Consommation et Corporations Canada.

Depuis le 7 septembre dernier, les examinateurs de la classification assignent les symboles "Int. Cl." à toutes les demandes acceptées traitées par la Division de la classification et des méthodes de recherche du ministère. Ces symboles paraîtront probablement sur la première page des brevets canadiens, au début de 1978.

Un porte-parole du ministère a expliqué que les pays étrangers pourront insérer ces documents, dès qu'ils les recevront, dans leur système de stockage et de récupération.

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NEWS RELEASE
COMMUNIQUÉ

NR-77-19 Immediate release

OTTAWA, March 29, 1977 -- Consumer and Corporate Affairs Canada Minister Tony Abbott today released a special study proposing revisions to Canadian copyright legislation.

The study, prepared by consultants, is entitled "Copyright in Canada: Proposals for a Revision of the Law," It is the third in a series of working papers released as part of a review of Canada's intellectual property legislation dealing with patents, trade marks, copyright and industrial design.

"This paper does not present the views of the government or of Consumer and Corporate Affairs Canada, but it does provide a solid foundation for dialogue concerning possible copyright law revision," Mr. Abbott said.

"Although the copyright law, which provides a means for government to grant controlled exclusive rights to creators and owners of copyright, is originally reflective of a printing technology, its principles must be adapted to a communications technology," he said.

The study advances proposals for a revision of the Canadian copyright law, which would consider its economic and cultural importance.

"My goal is a new copyright law that will achieve an equitable balance among varied interests and that will significantly contribute to the continued intellectual and economic growth of our society, as well as recognize and reward the highly creative Canadians who

make it possible," the Minister said.

Mr. Abbott invited all those concerned with the nature and scope of copyright to submit their comments on the working paper either to himself or to his department for consideration.

"To promote and facilitate discussion on the copyright law revisions, I will hold a meeting for interested parties this fall," Mr. Abbott concluded.

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NEWS RELEASE
COMMUNIQUÉ

NR-77-13

Immediate release

OTTAWA, February 24, 1977 -- Consumer and Corporate Affairs Canada Minister Tony Abbott has released a progress report on the public reaction to the recently published working paper on proposed patent law reform.

The Minister's report responded to about 250 representations received by his department after the release of the "Working Paper on Patent Law Revision" in June 1976.

The paper was prepared for Consumer and Corporate Affairs Canada by consultants in association with departmental officials and released by the department as a means of stimulating public discussion on patent reform.

Canada's patent laws have not been significantly modified in 42 years.

"While we have begun the hard work of detailed analysis of comments from the private sector, it will be some considerable time before firm proposals for legislation will be developed," Mr. Abbott said.

But he said, "I believe it is through this type of beneficial dialogue that governments can involve the public in policy formation of important and fundamental laws governing the marketplace."

The Minister's statement rejects one of the most controversial of the working paper's proposals -- that a new patent law operate only for an interim 10-year period pending evaluation of further research into the question of whether Canada should continue to have a patent system at all.

"It is my conviction that a well-designed and carefully drafted

patent law can and will continue to usefully serve Canada's national interests," Mr. Abbott said.

The Minister pointed out two further provisions causing considerable concern which he did not intend to recommend to his Cabinet colleagues for inclusion in patent law: the suggestion that the scope of patentable subject matter might be varied from the statutory definition by Orders-in-Council, and the proposal that patentees might be subject to civil liability if disclosures accompanying applications proved erroneous and injurious.

In addition, Mr. Abbott recognized that there are practical reasons why it would not be appropriate for employee/inventors to be entitled to recover control of patent rights over their own inventions if the employer did not put them to commercial use.

"Many companies have suggested they might consider moving their research facilities abroad. This is certainly not an appropriate effect for a revised patent law, and this proposal will not be included in any draft for revised legislation," he said.

Other provisions under review are: the right of Canadian industry to freely use patented inventions in supplying export markets; making patents unimpeachable on specified grounds after a specific number of years; the standards of disclosure which should apply on making application for a patent; the registration requirements respecting assignments and licenses; the scope of information-gathering powers; the duration and qualifications on the term of patent protection and the proposal for the adoption of the doctrine of exhaustion of patent rights by first sale.

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Mr. Abbott said that any new legislation will reflect the interest of inventors and industry, as well as public interest in avoiding any extended or undue suspension of competitive factors within the marketplace.

"I look forward to continuing to receive comments on those issues already raised. I also invite any additional suggestions for provisions not touched in the paper," he said.

Mr. Abbott said he would soon make available a digest of the comments received from the public on the draft legislation which was released as part of the working paper last June.

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Statement by the Honourable Anthony C. Abbott, Minister
Department of Consumer and Corporate Affairs on
Patent Law Revision

The principal reason for publishing the "Working Paper on Patent Law" last June was to stimulate informal public discussion and debate. The paper was prepared by consultants in association with some of my departmental officials, and was intended to form a focus for the various issues arising out of proposed patent law revision.

We have now received and carefully considered about 250 letters and briefs concerning the working paper and its proposed act. These commentaries will all be helpful in developing possible revisions to the patent law.

Although I have made no decisions on the final policies to be proposed, I would like to indicate my present thinking on some of the areas covered by the working paper.

1) Perhaps one of the most disturbing proposals evidenced by submissions received was the provision that would have resulted in the suspension of the granting of patents following a 10-year review period, pending further evaluation of the performance of patent law by Parliament, with a view to its possible abolition. As far as I am concerned, no such procedure will be included in any revised Canadian patent law.

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In my speech on the occasion of the granting of the one millionth Canadian patent last November 19th I took the opportunity to state that "I do not foresee any likelihood that it would be desirable to abolish the patent system." I now wish to reiterate that it is my conviction that a well designed and carefully drafted patent law can and will continue to usefully serve Canada's national interests.

2) Another provision which caused considerable concern was the proposal that the scope of patentable matter could be varied from the statutory definition by Orders-in-Council. In my view, the scope of patentable subject matter should be established and varied only by a decision of Parliament.

3) It was proposed in the working paper that patentees should be subject to civil liability should the disclosures accompanying their applications prove erroneous and injurious. This provision as well, is in my opinion, unnecessary and I do not propose to recommend it to my Cabinet colleagues for inclusion in any revised patent law.

4) Many companies carrying on research in Canada were concerned about the proposal that employee-inventors be entitled to recover control of patent rights over their own inventions if the employer was neglecting to take steps to put them into commercial use. It was observed that if employed inventors were given the right to recover control over unused

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inventions, many companies might consider moving their research facilities abroad. This is certainly not an appropriate effect for a revised patent law and this proposal will not be included in any draft for revised legislation.

5) Another provision in the draft law accompanying the working paper would have attemped to define the concept of "unfair prejudice." This concept has, in the past, governed the granting of certain types of compulsory licences. This is a complex and difficult area of patent legislation and I have decided that no attempt should be made in any revised legislation to qualify or re-define this complex issue.

In view of the wide range of views that have been expressed in response to the working paper, I have asked my officials to give further consideration to the following provisions:

1) the proposal to give a free right to Canadian industry to use patented inventions to supply export markets --

This provision would have removed from the scope of a patentee's rights the power to prevent industry in Canada from importing or manufacturing a patented invention with a view to its ultimate export for sale on a foreign market.

2) the proposal to make patents unimpeachable on specified grounds after a certain number of years --

This provision would have prevented attacks on the validity of patents based on allegations of prior use or disclosure and would make patents immune from revocation after they have been in force for a period of time.

3) the scope of information-gathering requirements to be included in a revised law --

This provision would have required patentees to provide certain prescribed information relating to the invention and its use at regular intervals throughout the term of patent protection.

4) the standards of disclosure for patent applications --

The working paper would have allowed applications to be filed with a minimal initial disclosure, but subject to being upgraded through extensive amendments prior to grant.

5) the registration requirements respecting assignments and licences --

This provision would have required patentees to register all documents relating to any licence, assignment, mortgage or other disposition of patent rights.

6) the proposal for the adoption of the doctrine of "exhaustion" of patent rights by first sale --

This provision would have limited the rights of a holder of a Canadian patent so that he would not be able to prevent the importation into Canada of patented products acquired abroad from himself or from persons related to him.

7) the duration and qualifications on the term of patent protection, including the extent to which patent rights should depend upon the establishment of manufacturing activities in Canada.

According to this provision the term of a patent would be 14 years from the priority (filing) date of an application, subject to the condition that the invention is actually being manufactured by the patentee or a licensee in Canada during the last five years. If it is not being so worked in Canada by the end of the ninth year, the patent would lapse.

I have listed these areas as ones in which I have particularly asked my officials to give further analysis, carefully taking into account the views expressed in submissions which have been received. These and other proposals will all be subject to continuing review.

No study of patent law can be carried out without a basic view as to the purpose of the law. I believe the patent law should first stimulate research and reward invention, and then concentrate on the commercial development of new products.

It should also encourage local production in the belief that this will assist in providing Canada with a needed basic ingredient to generate a "critical mass" of technological capacity that will make us more competitive in the decades to come. And certainly, I could not endorse any legislation that would not offer the necessary stimuli to investment within this country.

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Canada's industrial sector must be strong and vibrant, capable of surviving the increasing pressures of trade, environmental and energy constraints. While the degree of protection afforded under the country's patent laws must be sufficient to give a reasonable opportunity for the establishment of Canadian industries, it must be no more restrictive than necessary.

Canadian patent laws should establish a framework conducive to growth so that Canadian industries can be globally competitive.

In the weeks and months to come I expect to continue the dialogue begun by the publishing of the working paper and I look forward to continuing to receive comments on those issues already raised. I also invite any additional suggestions for provisions not touched in the paper. To assist in this respect, it is my intention that within the next few weeks a digest of the comments on the proposed act accompanying the working paper will be made available for the asking from my department.

I believe it is through this type of beneficial dialogue that governments can involve the public in policy formation of important and fundamental laws governing the marketplace.

I do not foresee at this time the introduction into Parliament during this year of any proposals for revised patent legislation. While we have begun the hard work of detailed analysis of comments from the private sector, it will be some considerable time before definitive proposals for legislation will be developed.

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News Release

Consumer and
Corporate Affairs Canada

Consommation
et Corporations Canada

NR-11238\93-22

Immediate Release

ACTING APPOINTMENT TO BUREAU OF COMPETITION POLICY

OTTAWA, June 21, 1993 -- Consumer and Corporate Affairs Canada is pleased to confirm that George N. Addy will exercise the powers and perform the duties of the Director of Investigation and Research (DIR), Bureau of Competition Policy while the position is vacant.

The vacancy was created by the appointment of Howard I. Wetston, Q.C. to the Federal Court of Canada, Trial Division, June 16, 1993.

As Acting Director of Investigation and Research, Mr. Addy will assume full responsibilities for overseeing the activities of the Bureau of Competition Policy which administers and enforces the Competition Act.

Mr. Addy is Senior Deputy Director of Investigation and Research, Mergers Branch, within the Bureau of Competition Policy, a position he held since 1989.

In 1988 Mr. Addy was seconded to the Department of Justice where he was assigned to the Legal Services Branch of Consumer and Corporate Affairs. He was made special counsel to the Director of Investigation and Research, Bureau of Competition Policy, due to his extensive background in competition law.

Canada

After graduating from law at the University of Ottawa (1977), Mr Addy was called to the Ontario Bar in 1979 and was in private practice in Ottawa until joining government in 1989.

- 30 -

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Cecile Suchal
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(Version française disponible)

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10724\92-26

Immediate release

PRICE DISCRIMINATION ENFORCEMENT GUIDELINES RELEASED

OTTAWA, September 14, 1992 -- The *Price Discrimination Enforcement Guidelines* under the *Competition Act* were released today by Howard I. Wetston, Q.C., Director of Investigation and Research for the Bureau of Competition Policy. The Guidelines are the result of a broad consultation process with interested members of the business and legal communities and the general public.

The principal objective in issuing the *Price Discrimination Enforcement Guidelines* is to provide guidance regarding the Director's enforcement policy with respect to the criminal law provision contained in section 50(1)(*a*) of the *Competition Act*.

"A criminal ban on a range of price competition practices carries with it the risk that business persons may, because of uncertainty about the application of the law, refrain to some extent from engaging in forms of pricing behaviour which would be healthy and beneficial for the markets involved. These guidelines should clarify the situation to the business community," Mr. Wetston said.

The *Competition Act*, passed in 1986, recognizes that the forces of economic globalization and trade liberalization are the dominant trends in commerce in the

1990s, especially in the North American and European markets. A competitive and efficient domestic market, which necessitates healthy price competition, will enable Canadian producers to compete in domestic and international markets.

This publication is part of a public information program undertaken by the Director to inform the legal and business communities and the general public about the administration and enforcement of the *Competition Act*. The Director has also issued enforcement guidelines on mergers (April 1991), misleading advertising (September 1991) and predatory pricing (May 1992).

Copies of the *Price Discrimination Enforcement Guidelines* may be obtained from the:

Publications Centre
Consumer and Corporate Affairs Canada
Third Floor, Phase II
Place du Portage
Hull, Quebec
K1A 0C9

(819) 953-5055

- 30 -

Reference: Cecile Suchal
Communications Branch
(819) 953-5303

(Version française disponible)

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10724\92-15

Immediate release

PREDATORY PRICING ENFORCEMENT GUIDELINES RELEASED

OTTAWA, May 21, 1992 -- Predatory Pricing Enforcement Guidelines under the *Competition Act* were released today by Howard I. Wetston, Q.C., Director of Investigation and Research. The Guidelines reflect widespread consultation with interested parties.

The principal objective in issuing the Predatory Pricing Enforcement Guidelines is to provide guidance regarding the Director's enforcement policy in the area of predatory pricing under the *Competition Act*.

"It is important to ensure that the enforcement policy for predatory pricing does not have a chilling effect on vigorous price competition," Mr. Wetston said. "Enforcement policy regarding predatory pricing must reflect the importance of a competitive and efficient domestic market as well as the need for Canadian business to compete effectively in global markets," Mr. Wetston added.

The Predatory Pricing Enforcement Guidelines are part of a public information program of the Bureau of Competition Policy to inform the legal and business communities, as well as the general public, about the Bureau's practices regarding the enforcement and administration of the *Competition Act*. The Bureau issued enforcement guidelines on mergers in April 1991 and on misleading advertising in September 1991.

- 30 -

Reference: Harry Chandler
Deputy Director of Investigation
and Research, Criminal Matters
(819) 997-1208

(Version française disponible)

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-00184/91-09

Immediate Release

MERGER ENFORCEMENT GUIDELINES RELEASED

OTTAWA, April 17, 1991--The first Canadian *Merger Enforcement Guidelines* under the *Competition Act* were released today by Howard I. Wetston, Q.C., Director of Investigation and Research. The Guidelines issued today reflect widespread consultation with interested parties.

The principal objective in issuing the *Merger Enforcement Guidelines* is to provide insight and guidance regarding the manner in which the Bureau of Competition Policy approaches merger review under the Act.

The Guidelines do not represent a significant change in enforcement policy. Rather, they are a comprehensive statement of the approach the Bureau takes to assess a merger's impact on competition in the Canadian economy.

"Canadians will better understand the Bureau's merger review process," Mr. Wetston explained, "thereby facilitating greater certainty and predictability in business planning."

The approach taken by the Guidelines is sufficiently flexible to accommodate diverse market realities. "It is essential to ensure that the merger review process facilitates, rather than hinders, initiatives by Canadian businesses to meet the challenges posed by increasingly dynamic international forces," Mr. Wetston stressed.

These merger review procedures are generally consistent with the approach taken by our major trading partners, while recognizing the unique features of the Canadian *Competition Act* and the Canadian economy.

- 30 -

Reference: Cécile Suchal
(819) 953-5303

(Version française disponible)

Canada

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-00046\90-43

Immediate Release

IMPROVED ACCESS TO TECHNOLOGY INFORMATION

QUÉBEC, October 23, 1990--Consumer and Corporate Affairs Minister and Minister of State for Agriculture Pierre Blais today announced two projects which will improve the dissemination, among businesses throughout Canada, of technology information contained in patents.

The first of these projects is the automation of Canada's Patent Office.

"Eventually this modernization will allow business people from all regions to access directly the country's most important technology database, and to do so from their own personal computer," explained Mr. Blais.

Patents are currently filed in Consumer and Corporate Affairs Canada offices in Hull, Quebec, on more than ten kilometres of shelves.

"For small and medium-sized businesses with limited resources, automation of the Patent Office will improve their access to technological information and encourage technology transfer. This can improve productivity and competitiveness," noted the Minister.

Automation will stimulate research and development in Canada and can help business identify foreign markets.

The cost of the project is $74 million over six years. This expense will be offset primarily by fees charged foreign users.

The project's first stage will be completed in 1992 when, for example, all incoming applications for patents will be logged electronically. Completion of the project is timed to coincide with the automation of the patent offices of most of Canada's major trading partners, including the United States, Japan and several members of the European Community.

CCAC/ISTC Joint Venture

Consumer and Corporate Affairs Canada and Industry Science and Technology Canada have combined resources to assist their business clients.

Staff from CCAC will provide training and information to ISTC's Business Service Centre staff across the country on the benefits of patents and technology transfer for small and medium-sized businesses.

ISTC will become part of CCAC's network of Patent Office intermediaries. These groups make patent information more readily available to entrepreneurs, business people and researchers throughout Canada. The network includes provincial research councils, innovation centres and universities. CCAC currently has 54 intermediaries across Canada--ISTC's participation brings that number to 65.

"Our economic strength depends on how well we use patent information,"said Mr. Blais. That's why the Government is putting tools into the hands of business to ensure they're plugged into state-of-the-art technology. Working with our intermediaries--and in the longer term with a fully automated Patent Office--businesses across the country will be better able to solve technical problems, keep an eye on competitors worldwide, and find new technologies and products to market."

- 30 -

References: Sophie Langlois
Minister's Office
(819) 997-3530

Pat Smith
Communications Branch
(819) 997-3660

(Version française disponible)

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10342\90-42

Immediate release

DIRECTOR WILL NOT OPPOSE SALE OF TEXACO CANADA'S ATLANTIC ASSETS

OTTAWA, October 5, 1990--Howard I. Wetston, the Director of Investigation and Research of the Bureau of Competition Policy, today announced that, pursuant to the Consent Order issued by the Competition Tribunal, he will not oppose the proposed sale of Texaco Canada's Atlantic assets to Ultramar Canada Inc. and Island Petroleum Company Inc. The decision was made after the Director received written undertakings from Ultramar and Island Petroleum.

Under the terms of the Order issued by the Tribunal on February 6, 1990, Imperial Oil Limited was required to divest itself of Texaco Canada assets in the Atlantic region. These include: the Texaco refinery in Dartmouth, N.S., terminal facilities in Charlottetown, P.E.I., Saint John and Chatham, N.B., and Long Pond, Nfld., 224 retail gasoline outlets throughout the region and Texaco Canada's interest in Great Eastern Oil Limited. Ultramar proposes to acquire the Texaco assets in the three Maritime provinces while Island Petroleum proposes to purchase the Newfoundland assets and Texaco's interest in Great Eastern Oil Limited.

Mr. Wetston said, "Following a thorough assessment of this proposal and the undertakings received from the parties, I have concluded that the proposed divestiture of these assets to Ultramar and Island Petroleum is not likely to prevent or lessen competition substantially in the Atlantic region of Canada. Moreover, the criteria that the Competition Tribunal set out in the Consent Order have been satisfied."

Ultramar has agreed to continue the operation of the Dartmouth refinery for a minimum of seven years. It will divest three retail gasoline outlets in Nova Scotia and two in Prince Edward Island. Ultramar will also sell for petroleum use its terminals in Dartmouth, Nova Scotia and Chatham, New Brunswick. Island Petroleum has agreed that the Long Pond, Newfoundland terminal will continue in operation.

Canada

After an extensive review, the Director concluded that Ultramar and Island Petroleum possess the financial soundness necessary to ensure the continued operation of the assets; that they have business plans for the continued maintenance and operation of the assets; and that they have available to them the technical and marketing expertise to continue the operation of the assets on an integrated basis. The Director is also satisfied that Ultramar and Island Petroleum have the intention and the ability to become vigorous and effective competitors in the Atlantic region.

Ultramar has extensive experience in petroleum refining, distribution and marketing operations and has identified potential efficiencies and synergies between its St. Romuald, Quebec refinery and the Atlantic assets to enable it to become a lower-cost producer in the region. Ultramar already has a strong presence in Eastern Canada that is supported by a well-recognized brand name and credit card system. As evidence of its long-term commitment to the continued operation of the Eastern Passage refinery, Ultramar proposes to make extremely large capital investments at that facility, in addition to ongoing maintenance expenditures. These investments will ensure that independent resellers in the region will have continued access to an alternative source of supply.

Island Petroleum will be a new and independent entrant in the Newfoundland market. Its planned access to technical and marketing expertise will enable it to become a strong competitor in that province.

The Director's decision follows a lengthy process during which Imperial sought and received a number of sealed bids for Texaco's Atlantic assets. After evaluating the bids, on August 13, 1990, Imperial submitted to the Director for consideration the Ultramar/Island Petroleum bid pursuant to the Consent Order.

In conducting its examination of the Ultramar/Island Petroleum transaction, the Bureau consulted widely and sought information and views from a variety of sources including customers, competitors and provincial governments. In addition, the Bureau retained industry, economic and legal experts to assist in-house staff in their examination of the transaction.

Copies of the undertakings are available on request.

-30-

Reference: George Addy
(819) 994-1860

(Version française disponible)

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10302\90-34

Immediate Release

BUREAU WILL NOT CHALLENGE PALM DAIRIES SALE

OTTAWA, July 20, 1990--Howard Wetston, the Director of Investigation and Research of the Bureau of Competition Policy, today announced that he will not challenge the sale of Palm Dairies Ltd. (Palm Dairies).

The Northern Alberta Dairy Pool (NADP), a co-operative dairy processor with headquarters in Edmonton, will acquire the Edmonton operations of Palm Dairies including the plant, inventory and customer lists while Beatrice Foods Ltd. (Beatrice) will acquire the remaining Palm Dairies assets in Alberta, Saskatchewan and Ontario. The sale to NADP provides it with the opportunity through rationalization to more efficiently and effectively operate its dairy processing operations in Edmonton and surrounding rural communities. Accordingly, it is expected that NADP through this merger will be positioned to compete throughout Alberta and other regions of Western Canada.

The entry of Beatrice, a major manufacturer and marketer of dairy products, into Alberta and Saskatchewan is expected to benefit consumers in Western Canada. "I am satisfied that as a result of the sale of Palm Dairies to Beatrice and the NADP, consumers of milk and dairy products will continue to benefit from competitive prices and product choices," said Mr. Wetston.

The sale of Palm Dairies to NADP and Beatrice follows a detailed investigation of a number of proposals made to the Director's office. It was originally proposed that all of Palm Dairies would be sold to NADP. After extensive examination, and consultation with the parties, industry participants, customers and competitors, the Director concluded that it would likely have led to a substantial lessening of competition in respect to the distribution and sale of the full line of dairy products in Alberta. In arriving at this decision, the Director also obtained

independent economic advice. NADP then proposed to acquire only the northern operations of Palm Dairies. The Director's approval of the restructured transaction was contingent upon the sale of the remaining Palm Dairies assets in a manner which would maintain and promote vigorous and effective competition in Alberta. In the Director's view, Beatrice has the financial, managerial, technical and marketing expertise to provide this competition in Alberta as well as in Saskatchewan.

The Director also noted that these transactions are part of a series of recent mergers in the dairy industry in Western Canada. In 1989, Palm Dairies' failing operations in British Columbia were sold to Frazer Valley Milk Producers Co-operative Association and Island Farms Dairies Co-operative Association. Most recently, Dairy Producers Co-operative Limited (DPCL) a Saskatchewan based co-operative dairy, gained a presence in Manitoba through its acquisition of the Manitoba Co-op (Manco Foods Inc.) and DPCL will increase its competitive position through its proposed acquisition of Aults Dairies in Winnipeg. The changes to the structure of the dairy industry in Western Canada, arising from these mergers, is likely to result in a more efficient and competitive environment that will benefit producers, dairy processors and consumers.

The Bureau of Competition Policy, a part of Consumer and Corporate Affairs Canada, conducts examinations of all mergers and acquisitions in Canada to determine whether as a result of a given transaction a substantial lessening of competition will occur.

SUMMARY OF PALM DAIRIES LTD.'S OPERATIONS
TO BE ACQUIRED BY BEATRICE FOODS LTD.
AND NORTHERN ALBERTA DAIRY POOL LTD.

Saskatchewan	Purchaser
Saskatoon	Beatrice Foods Ltd.
Regina	Beatrice Foods Ltd.
Estevan	Beatrice Foods Ltd.
Alberta	
Edmonton	Northern Alberta Dairy Pool Ltd.
Calgary	Beatrice Foods Ltd.
Lethbridge	Beatrice Foods Ltd.
Ontario	
Sudbury	Beatrice Foods Ltd.
Thunder Bay	Beatrice Foods Ltd.

-30-

Reference: Andrew McGillivary
(819) 997-3896

(Version française disponible)

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10314\90-32

Immediate Release

GEORGETOWN INDUSTRIES TO SELL DAVIS WIRE

OTTAWA, July 9, 1990--Howard I. Wetston, the Director of Investigation and Research under the *Competition Act*, announced today that he will not bring an application before the Competition Tribunal to seek an order in respect of the merger between Tree Island Industries, Limited (Tree Island) and Davis Wire Industries Ltd. (Davis Wire).

The decision not to bring an application before the Competition Tribunal was made after Tree Island and its parent company Georgetown Industries, Inc. (Georgetown) provided the Director with written undertakings to sell all of the shares that they directly or indirectly own in Davis Wire. These undertakings were provided after the Director concluded that the merger was likely to prevent or lessen competition substantially.

The shares of Davis Wire were acquired from its then parent company, Davis Walker Inc., in December 1989 by Tree Island as part of the liquidation of Davis Walker Inc. in the United States. At the time of the acquisition, Georgetown and Tree Island entered into a hold separate agreement pending completion of the Director's assessment of the transaction pursuant to the *Competition Act*.

The undertakings require that Davis Wire be sold as a continuing business to a purchaser who intends to continue the manufacture and sale of wire and wire products. In the interim, Davis Wire will continue to be run by an independent manager and will be held separate and apart from the operations of Tree Island.

Mr. Wetston said, "The co-operation demonstrated by Georgetown Industries throughout the review of this matter was instrumental in achieving this effective and timely resolution."

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Reference: Andrew McGillivary
(819) 997-3896

(Version française disponible)

Canada

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada
NR-10322\90-31
Immediate Release

UNDERTAKINGS GIVEN IN CANADA PACKERS ACQUISITION

OTTAWA, July 6, 1990--The Director of Investigation and Research of the Bureau of Competition Policy, Howard I. Wetston, today announced that Hillsdown Holdings plc (Hillsdown) has provided undertakings to hold separate from its businesses certain operations over which it gained control as the result of Hillsdown's acquisition of shares of Canada Packers Inc.

At this point in the examination the Director is particularly concerned about the meat rendering market in Ontario. In this market, Orenco, a subsidiary of Canada Packers Inc., operates a rendering plant in Dundas, Ontario. As well, Hillsdown, through its subsidiary Maple Leaf Mills Limited, operates rendering facilities in Toronto and Moorefield, Ontario. Meat rendering is a business that recycles a wide variety of livestock, poultry and fish by-products into commercial products such as tallow and meal. Tallow is used in the production of soaps, cosmetics and paints, and meal is used primarily in animal feed, pet foods and fertilizer.

The purpose of the hold separate undertakings is to ensure that the businesses are not commingled and that competition in the relevant markets is maintained pending the completion of the Director's examination.

Under the merger provisions of the *Competition Act*, the Director and the Bureau conduct examinations of mergers and acquisitions in Canada to determine if, as a result of the transaction, a substantial lessening of competition has occurred or is likely to occur. Should the Director's analysis raise concerns of a likely substantial lessening of competition, the hold separate undertakings make it easier to restore the firms to the pre-merger situation.

In this case, the parties have agreed to continue to operate the business of the acquired company independently of the businesses of Hillsdown until the Bureau completes its examination of the competitive effects of the transaction in the relevant market.

Notwithstanding the closing of the transaction, the Director has retained all rights under the *Competition Act* to seek any other relief which may be warranted.

Copies of the undertakings are available upon request.

- 30 -

Reference: Andrew McGillivary
(819) 997-3896

(Version française disponible)

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10316\90-30

Immediate Release

MUTUAL FUND MANAGEMENT CORPORATIONS CONSENT TO ORDERS OF PROHIBITION

OTTAWA, July 3, 1990--Howard I. Wetston, Director of Investigation and Research under the *Competition Act* of Canada, announced today that the Supreme Court of Ontario has issued Orders of Prohibition under the *Competition Act* prohibiting four mutual fund management corporations from refusing to deal with brokers and dealers who provide a discount from their commission on the sale of mutual fund securities to their clients. The Orders were made on applications of the Attorney General of Canada and were consented to by the four Respondents.

The Respondents named in the Orders are A.G.F. Management Limited, Mackenzie Financial Corporation, Noram Capital Management, Inc. and Templeton Management Limited.

The Orders of Prohibition are designed to enhance competition in the securities marketplace. In particular, the Orders prohibit the Respondents from refusing to deal with discount brokers and from attempting to discourage discount brokers or other brokers and dealers from reducing their commissions or, in some cases, advertising that they will do so.

The Respondents have each taken steps to make clear that securities of mutual funds managed by them may be sold in Canada on a negotiated basis.

Mr. Wetston stated, "The resolution of these matters represents an expeditious and fair resolution of complaints made to the Director's office in a manner that makes clear to the securities industry at large that conduct which inhibits the ability of discount brokers to compete in connection with the sale of securities of mutual funds is not acceptable under the *Competition Act*." The

Director stated, as well, that this resolution is consistent with the compliance-oriented approach taken by the Bureau of Competition Policy to enforcement of the *Competition Act* since its enactment in 1986.

- 30 -

Reference: Andrew McGillivary
(819) 997-3896

(Version française disponible)

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10320/90-28 Immediate Release

UNDERTAKINGS GIVEN IN SOUTHAM ACQUISITION

OTTAWA, June 8, 1990 - The Director of Investigation and Research of the Bureau of Competition Policy, Howard I. Wetston, today announced that Southam Newspaper Group (a division of Southam Inc.), North Shore Free Press Ltd. and David Perks have provided undertakings to hold separate the recently acquired publishing operations in the Lower Mainland Region of British Columbia.

The purpose of hold separate undertakings is to ensure that competition in the relevant markets is maintained pending the completion of the Director's examination and that the businesses are not commingled.

Under the merger provisions of the *Competition Act*, the Director and his staff conduct examinations of mergers and acquisitions in Canada to determine if, as a result of a given transaction, a substantial lessening of competition has occurred or is likely to occur. Should the Director's analysis raise concerns of a likely substantial lessening of competition, the hold separate undertakings make it easier to restore the firms to the pre-merger situation.

In this case, the parties have agreed to continue to operate the business of the acquired companies independently of each other and independently of the business of Southam until the Bureau completes its examination of the competitive effects of the transactions in the relevant markets or, if necessary, until August 31, 1990, whichever occurs first.

Notwithstanding the closing of the transaction, the Director has retained all rights under the *Competition Act* to seek any other relief which may be warranted.

Copies of the undertakings are available upon request.

- 30 -

Reference: Gilles Ménard
(819) 953-4290

(Version française disponible)

Canada

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10286\90-26 Immediate Release

LAIDLAW DIVESTITURE UNDERTAKING COMPLETED IN OTTAWA-CARLETON

OTTAWA, June 5, 1990--The Director of Investigation and Research of the Bureau of Competition Policy, Howard I. Wetston, today announced that Laidlaw Inc. (formerly Laidlaw Transportation Systems) has divested the commercial waste removal operations of Tricil Limited in the Ottawa-Carleton region to Browning Ferris Industries Ltd. pursuant to undertakings it gave to his office.

In keeping with the Bureau's compliance oriented approach to the enforcement of the Competition Act, the Director decided with respect to this case that undertakings for divestiture would be the most effective and expeditious method to restore effective competition in the affected markets.

The proposed acquisition of all of the share capital of Tricil Limited by Laidlaw was first brought to the attention of the Director in November 1989 and the deal was completed on December 29, 1989. The Director ensured that competition in the markets where both Tricil and Laidlaw were competitors would be maintained pending the completion of his examination by requiring Laidlaw to provide an undertaking not to commingle assets and to hold operations and management separate.

The operations in question involve commercial and industrial containerized waste removal in the local markets of Greater Vancouver, Edmonton, Hamilton and the Ottawa-Carleton region, as well as liquid industrial and hazardous waste transportation and transfer station operations throughout Ontario.

The likely competitive effects of the transaction on the various product and geographic markets where the two companies operated were determined following broad consultations with customers and competitors, as well as with local, provincial and federal government officials involved in waste management. Based on his examination, the Director

concluded that the transaction was likely to lessen competition substantially in commercial containerized waste removal in the Edmonton and the Ottawa-Carleton markets. The remainder of the transaction did not raise concerns of a likely substantial lessening of competition.

In arriving at this decision, it was concluded that the transaction would give Laidlaw a dominant share of the market as measured by the number of trucks and revenue in both Edmonton and Ottawa-Carleton, remove Tricil as a vigorous and effective competitor and reduce the number of significant suppliers in both markets from three firms to two.

To resolve the Director's concerns, Laidlaw agreed to divest the acquired assets in Ottawa-Carleton and Edmonton to viable third parties acceptable to the Director and to continue the hold separate undertakings in both markets pending the completion of the divestiture process. To facilitate the Bureau's monitoring of these markets, Laidlaw also provided an undertaking that it would give the Director advance notice of any future proposed acquisitions of commercial solid waste businesses in the Greater Vancouver and Hamilton markets and of any future proposed acquisitions of businesses providing transfer station or transportation services for hazardous and liquid industrial waste in Ontario until 1993.

As part of its undertakings, Laidlaw has now agreed to sell the commercial waste removal assets it acquired in Ottawa-Carleton to Browning Ferris Industries Ltd. The divestiture in Edmonton is still pending. However, Mr. Wetston indicated that he expects this will be completed in the near future. The Director added that he is satisfied that the divestiture to Browning Ferris Industries Ltd., a well-established, experienced competitor in the waste management business in Canada and a new entrant to the Ottawa-Carleton market, will alleviate the competition concerns identified in that market.

- 30 -

Reference: John K. Barker
(819) 953-4308

(Version française disponible)

News Release

Consumer and Corporate Affairs Canada | Consommation et Corporations Canada

NR-10294 Immediate release

Bureau of Competition Policy files Imperial Oil amendment

OTTAWA, February 1, 1990--The Bureau of Competition Policy filed an amendment to the revised Imperial Oil Consent Order before the Competition Tribunal today. The Director of Investigation and Research, Howard I. Wetston, believes that the amendment fully meets the concerns expressed by the Tribunal in its January 26, 1990, decision.

In addition to the assets already identified for divestiture, Imperial will divest all of Texaco's assets used in the wholesale and retail supply of gasoline and heating oil in the Atlantic region. This includes all Texaco company-owned retail gasoline stations and Texaco dealer-owned service station agreements, all terminals, and all of the shares of Great Eastern Oil Limited now owned by Texaco.

Imperial has also agreed to all of the supply assurance recommendations outlined in the Tribunal's January 26 decision.

- 30 -

Reference: Linda R. Bergeron
Communications Branch
(819) 953-5303

(Version française disponible)

NR-90-4

Canada

News Release

Consumer and Corporate Affairs Canada | Consommation et Corporations Canada

NR-10292 Immediate release

Imperial Oil decision rendered today

OTTAWA, January 26, 1990--Commenting on a decision rendered by the Competition Tribunal today in the matter of Imperial Oil/Texaco, Howard I. Wetston, the Director of Investigation and Research of the Bureau of Competition Policy, said that he is carefully examining the Tribunal's conditional approval of the consent order.

"The Bureau and Imperial Oil are committed to bringing the few outstanding issues to a successful conclusion shortly," said the Director.

- 30 -

Reference: Linda R. Bergeron
Communications Branch
(819) 953-5303

(Version française disponible)

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-20136 Immediate release

Patent Cooperation Treaty Now In Force

Ottawa, January 2, 1990--The Honourable Harvie Andre, Acting Minister of Consumer and Corporate Affairs, today announced the coming into effect in Canada of the Patent Cooperation Treaty (PCT). Ratified on October 2, 1989, PCT provides Canadian innovators with a simpler means to protect their inventions in up to 43 countries.

In commenting on the Treaty, Mr. Andre described it as "an important step forward in international cooperation to protect new technologies. PCT is part of the government's program to modernize our patent system and stimulate research and technology development in Canada."

Using a single international application filed in Canada, inventors will be able to ask for patent protection in up to 43 member countries, including the United States, Japan and most of the European Community. Previously, Canadian inventors had to file directly in each country where protection was desired. The eventual granting of patents is under the authority of individual countries.

The one-step patent filing procedure makes it possible to defer and in certain cases reduce the administrative costs of filing multiple applications. Moreover, it gives

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inventors and businesses more time and an improved basis for deciding whether and when to start the patenting procedure in foreign countries.

"This is one other initiative launched by the government to modernize intellectual property rules and stimulate innovation and creativity in Canada," said Mr. Andre. Besides the amendments to the Patent Act, the government has also amended the Copyright Act (the first time since 1924), and introduced bills to protect plant breeders rights and integrated circuits, commonly referred to as microchips."

PCT is administered by the World Intellectual Property Organization (WIPO) in Geneva, Switzerland.

- 30 -

Reference: Pierre Trépanier
(819) 997-1947

(Version française disponible)

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10280 Immediate release

Application filed with Competition Tribunal

OTTAWA, November 16, 1989--Howard I. Wetston, Director of Investigation and Research of the Bureau of Competition Policy, today filed an application before the Competition Tribunal in relation to Xerox Canada Inc.

The application, filed under the refusal to deal provisions of the Competition Act, asks the Competition Tribunal to order Xerox to resume supply of photocopier parts to Exdos Corporation of North York, Ontario.

This case involves a significant competition issue in the Canadian marketplace. The Tribunal has been asked to decide whether a major company engaged in the supply and servicing of a product can cut off supplies of repair parts to Exdos, an independent service organization.

Exdos not only competes with Xerox in the sales and service of Xerox photocopiers, but is also dependent on Xerox for parts.

Under the rules of the Tribunal, Xerox has 30 days to file a response.

- 30 -

Reference: Linda Bergeron
(819) 953-5303

(Version française disponible)

NR-89-41

Canada

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-20114 Immediate release

Canadian Patent Act Amendments Now In Force

OTTAWA, October 2, 1989 -- Sweeping changes that modernize the Canadian Patent Act are now in effect, announced the Honourable Harvie Andre, Acting Minister of Consumer and Corporate Affairs Canada.

"These changes will increase the availability, development, and use of technological information in Canada," Mr. Andre declared. "Science and technology are the keys to a modern and effective economy, and this legislative initiative is one of the actions this government has taken to make Canada a strong competitor in the world marketplace."

The main changes are:

First to File

The first inventor to file an application on an invention is entitled to the patent, which is the principle used by most industrialized nations in the world. The new system is simpler than the old and establishes clear "ownership" of an invention.

Absolute Novelty

An invention must be absolutely new to be patented. This avoids situations where people try to patent inventions that are already public property.

Early Publication

Information about inventions will now be available to the public 6 to 18 months after an application has been filed, to speed the transfer of new ideas to the public, thereby stimulating further innovation. The inventor's rights are protected during this period.

Maintenance Fees

In order to keep a patent in effect, a maintenance fee

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Canada

will be payable annually, up to a maximum of 20 years. If for any reason the patent holder decides to discontinue the maintenance fee, the patent will lapse.

Deferred Examination

In order to give inventors more time to assess the marketability of their inventions, the Patent Office will not examine applications until requested to do so, up to a maximum period of seven years.

"These improvements to the Act bring Canada into line with the majority of industrialized countries," noted Mr. Andre. "The overall result will be increased investment in R&D in Canada, and a more efficient exchange of technological information with many of our trading partners around the world."

Mr. Andre explained that these changes will be complemented by a multi-year program to automate the Patent Office. Canadian businesses -- particularly smaller businesses -- will be winners under the new Act. "Eventually, companies anywhere in Canada will have quick and efficient access to the Canadian Patent Office." In searching for technological information needed to innovate, they will have ready access to a modern, state-of-the-art collection of the best technological information the world can offer. And businesses won't waste money duplicating research which is already available in the Patent Office.

"Considering that only three percent of manufacturers in Canada have a capacity for R&D," added Mr. Andre, "these changes to modernize our patent system will help Canadian enterprise to flourish. And we know that a prosperous business sector is the best producer of Canadian jobs."

- 30 -

References: André Gariépy
(819) 997-4418

(Version française disponible)

Mart Leesti
(819) 997-1057

NR-89-34

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10264 -N26

Immediate release

Goldman to Leave Competition Bureau: New Director Named

OTTAWA, August 29, 1989 -- The Honourable Harvie Andre, Acting Minister of Consumer and Corporate Affairs Canada, commented today on the Prime Minister's announcement that Calvin S. Goldman, Q.C., Director of Investigation and Research of the Bureau of Competition Policy, has decided to leave the federal public service effective October 29th to return to the private sector. The two month period will allow an orderly transition within the Bureau.

Howard I. Wetston, now the Senior Deputy Director and Head of the Bureau's Merger Branch, has been named to succeed Mr. Goldman, effective October 30th.

On May 12, 1986, Mr. Goldman was appointed as Director of Investigation and Research and became the first Director under the Competition Act which came into force in June of that year. In his letter of resignation, the Director stated that, over the last three years, he has made every effort to fulfill the objectives of the Competition Act and to ensure it was administered in an effective and even-handed manner. Mr. Goldman is now looking forward to meeting new challenges in the private sector.

Mr. Andre said that in his view, Mr. Goldman has laid a solid foundation for the continued development of a realistic, effective and open approach to the administration and enforcement of competition law in Canada. During this time a number of significant cases and initiatives were pursued under the Act.

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Canada

"The hallmark of Mr. Goldman's administration has been his professional and personal commitment to a new compliance-oriented approach to the enforcement of Canada's competition legislation." said the Minister. "He has been particularly successful in balancing the need to maintain competition in Canada, and the need to increase our ability to compete internationally, two broad national interests that are so important at this point in our country's history."

The future Director, Howard I. Wetston, has been with the Bureau of Competition Policy since October 1986 and has played an integral role in the development of the Merger Branch. Prior to his joining the Bureau, Mr. Wetston was in private practice in Ottawa in the joint legal office of Burnet, Duckworth & Palmer and Phillips & Vineberg. He also served as General Counsel to the Canadian Transport Commission and as Assistant General Counsel to the National Energy Board. In 1981-82, he was General Counsel to the Consumers' Association of Canada and Director of the Association's Regulated Industries Program. From 1976 to 1980, he was a member of the Department of Justice. He is also an Adjunct Professor of law at the University of Ottawa.

- 30 -

Reference: Louis Landry
(819) 997-3530

(Version française disponible)

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10256 Immediate release

Proposed merger of the brewing operations of Molson and Carling O'Keefe

OTTAWA, July 6, 1989 -- The merger of the Canadian-based brewing operations of The Molson Companies Limited and Elders IXL Limited, the parent company of Carling O'Keefe Breweries of Canada Limited, will be allowed to proceed with no challenge, at this time, by the Director of Investigation and Research of the Bureau of Competition Policy. The new company will be known as Molson Breweries.

The merger was the subject of a detailed examination by the Bureau, which included an analysis of extensive information provided by the parties, by numerous industry participants in Canada and the United States, and by provincial regulators and federal officials. The Bureau was assisted by outside legal counsel and by independent industry and economic experts.

As a result of the Bureau's examination, the Director concluded that, under present market conditions, the merger is not likely to raise concerns under the Competition Act in any area of Canada other than Alberta and Quebec. The Bureau will monitor the impact of the merger on competition in the brewing industry in Canada, and will concentrate upon the effects of the merger in Alberta and Quebec. In that regard, a comprehensive monitoring program has been arranged with the parties.

"The merger raises potential competition concerns in Alberta and in Quebec. However, the beer industry is undergoing dynamic changes in many areas of Canada," said Calvin S. Goldman, Q.C., the Director of Investigation and Research, in announcing his decision. "Accordingly, I have emphasized to the parties that in view of the rapidly evolving nature of the industry, the Bureau intends to monitor developments in the industry, and particularly in the provinces of Alberta and Quebec, during the three-year period provided for under the Competition Act. I will not

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hesitate to seek an appropriate remedial order, if necessary, from the Competition Tribunal, should it subsequently be determined that the merger prevents or lessens competition substantially," added Mr. Goldman.

The Bureau's examination revealed that the beer industry is experiencing significant changes in many areas of the country, including changes to the regulatory regimes which govern the distribution and sale of beer. These changes are likely to be furthered by ongoing federal-provincial negotiations regarding the liberalization of interprovincial trade in beer. The parties view the merger as an essential means of rationalizing their operations to achieve substantial gains in efficiency which will enable them to become more competitive with lower-cost U.S. brewers. The parties also expect that the merger will lead to increased exports, particularly to the United States.

With reference to the two markets of potential concern, the Bureau's examination revealed in Alberta the merged entity will account for more than half of the beer sales in that province, roughly twice those of Labatt's, which is the next largest competitor. However, Drummond Brewing Company is a significant regional brewer and competitor in Alberta. Furthermore, low-priced beer imported from the United States has developed an effective competitive presence by contributing to the development of a large price discount segment which appears to have constrained price increases in the overall market. For these reasons, the Director stated that if the present trends in Alberta continue, his expectation is that the merger is not likely to give rise to a substantial prevention or lessening of competition in that province.

The merged entity will have an initial market share in Quebec of approximately 60 percent. The merger will result in the elimination of an effective competitor in that province. While Labatt's will remain as a major competitor and there are several micro-brewers in Quebec, there are no regional brewers currently in Quebec that are capable of providing additional competition in that market.

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The Bureau's examination of the barriers to entry in Quebec established that virtually all of the packaged beer sold in that province for off-premises consumption is marketed through the thousands of retail grocery and convenience stores which are licensed for this purpose. As a result, access to an established distribution system which services these stores is essential to new entrants in Quebec. The only established province-wide systems for distributing beer to these retail outlets which will exist after this merger will be those owned or operated by Molson Breweries and Labatt's. Furthermore, at present, provincial regulations prohibit the sale in these stores of beer brewed outside the province, including low-priced beer imported from the United States. Accordingly, imported beer currently constitutes less than one percent of the Quebec market. As a result, Quebec is the market of greatest potential concern under the Act.

At the same time, however, the Bureau's examination revealed that Labatt's has enjoyed consistent increases in market share in Quebec during the last several years. This growth appears to be attributable to, among other things, the strength of Labatt's in the lager segment of the market and the fact that the preference of many consumers in Quebec is shifting from ale to lager. Similar trends in tastes have been observed throughout the rest of Canada and internationally. Carling, which is particularly strong in the ale segment of the market in Quebec, has lost market share consistently in that province during the last several years. The Bureau's examination also revealed that the merger is likely to give rise to substantial gains in efficiency throughout most of Canada, and particularly in Quebec. The Bureau will monitor the parties' efforts to achieve these efficiency gains.

Furthermore, the parties have informed the Director that they intend to provide access to the Molson Breweries' distribution system in Quebec for Canadian-produced beer (other than that of Labatt's) on a fee-for-service basis. The micro-brewers in Quebec, and any new entrants in that province, will have immediate access to this distribution system. The parties have informed the Director that the system will be available to out-of-province Canadian and

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foreign brewers in respect of beer produced by them in Canada, in the event that regulatory change occurs to allow beer brewed outside Quebec to be sold in retail grocery and convenience stores in that province.

The parties represented to the Director, during the merger review process, that existing interprovincial barriers to trade in beer are likely to be reduced or eliminated so as to permit out-of-province brewers to compete in the Quebec market. Furthermore, they anticipate that low-priced beer imported from the United States will become a significant competitive presence in Quebec as it has in a number of other provinces.

The Director considered the information and representations provided by the parties, and the state of dynamic change currently unfolding in this particular industry, in reaching his decision not to challenge the merger in Quebec at this time. The Director stated that the Bureau's monitoring efforts would concentrate upon determining whether the changes which the parties believe are likely to take place in Quebec do in fact occur, including increased import penetration and deregulation.

The Director stressed that the Competition Act provides for a three-year period during which proceedings may be commenced before the Competition Tribunal for a remedial order in respect of the merger. The Bureau's monitoring efforts will continue throughout that period.

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Reference: Linda Bergeron
(819) 953-5303

(Version française disponible)

News Release

Consumer and Corporate Affairs Canada | Consommation et Corporations Canada

NR-10252 Immediate release

DIR files application for consent order in the Imperial - Texaco merger

OTTAWA, June 29, 1989 -- The Director of Investigation and Research of the Bureau of Competition Policy today filed an application for a consent order before the Competition Tribunal, directing the divestiture of certain assets and requiring certain gasoline supply obligations by Imperial Oil Limited in relation to its acquisition of Texaco Canada Inc.

On January 20, 1989, Imperial Oil Limited announced that it intended to acquire the entire operations of Texaco Canada Inc. At that time Imperial Oil agreed to hold separate and apart the downstream operations of Texaco Canada pending the completion of the Director's examination. In a news release issued on February 24, 1989, at the time Imperial Oil acquired the shares, the Director said that the merger raised a number of competition concerns in the downstream sector of the petroleum industry. He also restated his intention to put any divestiture package before the Competition Tribunal for a hearing on a consent order basis, given the broad public impact of the transaction.

In filing the application, the Director, Calvin S. Goldman, Q.C., said that the terms of the proposed consent order, which have been agreed to by Imperial Oil, "are designed to ensure that competition is not likely to be prevented or lessened substantially in the downstream sector of the Canadian petroleum industry as a result of the merger."

In conducting its examination of the transaction, the Bureau consulted widely and sought information and views from a variety of sources including customers, suppliers and competitors, provincial governments, as well as trade and consumer associations. Industry and economic experts were retained by the Bureau to assist in-house staff in their examination of the transaction.

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Canada

In his February 24, 1989 statement, the Director stated that there were no significant competition concerns relating to the "upstream" sector, which includes exploration for and production of oil and gas, and pipeline transportation. Since that time, the Bureau's examination of competition issues focussed exclusively on the downstream sector which includes petroleum refining, distribution and storage activities, and the marketing of petroleum products including gasoline and heating fuel through commercial channels including retail service stations.

In examining these areas of industry activity, the Bureau concluded that the merger raised concerns in three relevant market areas: Atlantic Canada, Ontario-Quebec and Western Canada.

The Director's application for the consent order seeks approval of the following proposed divestitures and other duties and conditions, to alleviate the competition concerns in the relevant market areas.

Atlantic Canada

The proposed consent order provides that in the Atlantic region, Imperial Oil will divest the Eastern Passage Texaco refinery and marine terminal in Dartmouth, Nova Scotia, together with the Ultramar supply agreement at the refinery; four storage and distribution terminals located throughout the Atlantic region; and 197 retail service stations located throughout the Atlantic region. The distribution and marketing assets, including certain contracts, are to be sold with the refinery to ensure its economic viability.

"These extensive divestitures are required to ensure that there is no substantial lessening of competition in Atlantic Canada, an area in which significant concerns under the Act have been raised," said Mr. Goldman.

In determining what divestitures would be necessary, the Bureau's review took into account, among other things, the current state of competition in the Maritime provinces and the supply opportunities for wholesale customers and consumers. It is of significance that the comparatively few independent marketers in this region have relied exclusively in recent years on Imperial Oil and Texaco Canada for their supply of gasoline and heating oil. Without the refinery

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divestiture Imperial would be the sole source of supply for independent marketers. The Texaco and Imperial refineries are both located in Dartmouth, Nova Scotia. Furthermore, provincial regulation in Nova Scotia and P.E.I. restricts pricing of gasoline and entry into the market.

In Newfoundland, independents can buy from the Come-By-Chance refinery but independents in other Atlantic provinces cannot obtain supply from that refinery because of restrictive covenants.

Moreover, the import of petroleum products is difficult for independents in the Atlantic region because, at present, they do not own any of the storage terminals and distribution operations which would be required for the import option to be viable. In the heating oil segment of the market, natural gas is not an alternative as it is in most other parts of the country because natural gas pipelines do not extend beyond Quebec to the Atlantic Provinces.

Ontario-Quebec

Neither Texaco Canada nor Imperial Oil has a refinery in the province of Quebec. However, for the purposes of assessing competition in the supply of refined petroleum products, Ontario and Quebec operate as a single market. This results from the operation of the Trans-Northern pipeline between Montreal and Toronto, marine shipments between the provinces, and supply exchange agreements between refiners in Ontario and Quebec.

The proposed consent order provides that Imperial Oil will operate the refineries under terms which ensure a duty to supply product to independent marketers in the Ontario-Quebec region, from its Sarnia and Nanticoke refineries. Quebec independents are included in the order through Imperial's supply exchange agreement with Petro-Canada's refinery in Montreal. The supply obligation runs for a period of seven years with an opportunity for independents to obtain supply for up to 10 years.

The terms of the order are designed to ensure adequate supply to independents. Furthermore, the order allows for a growth factor based on market growth as well as a pro-rata sharing of any additional output associated with the efficiencies resulting from combining the operations of the Nanticoke and Sarnia refineries. In addition, the Director

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has retained the right to apply to the Tribunal to vary the supply obligation or seek any other remedies under the merger or other provisions of the Act should the supply obligation prove insufficient to offset the effects of the merger.

Imperial Oil will also be required to divest six storage and distribution terminal facilities located throughout Ontario and Quebec and 213 retail service stations located throughout the two provinces. These divestitures are designed to alleviate competition concerns related to the duplication or market concentration of assets of the combined companies. They will also allow opportunities for entry or expansion by independent marketers.

In its examination of the Ontario-Quebec region, the Bureau took into account the conclusions of the Restrictive Trade Practices Commission in its comprehensive report published in June 1986 on the state of competition in the Canadian petroleum industry; it also noted the inevitability for high concentration to exist at the refining level if economies of scale are to be achieved. In this regard, the Commission focussed on the need to ensure adequate supply to independent marketers by a vertically-integrated refiner with market power in the industry. Similarly, the Bureau also focussed on ensuring that the independents had assurance of supply of gasoline and opportunities for expansion or entry at the retail level.

In determining the assets to be divested, at the retail level, the Bureau applied a consistent and systematic approach for Ontario, Quebec and Western Canada taking into account the competitiveness of independents in each local market. [The criteria are in a schedule to the proposed consent order and discussed generally in the accompanying backgrounder.]

Western Canada

The Bureau's examination concluded that there were no competition concerns resulting from the transaction relating to the refining segment of the petroleum industry in Western Canada. Texaco Canada does not have any refineries west of Ontario. However, because of increased concentration and duplication in certain local terminal and retail gasoline markets in Western Canada, and the loss of an effective

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national competitor, the Bureau's examination concluded that a substantial lessening of competition was likely in those particular markets. The proposed consent order states that Imperial Oil will be required to divest three storage and distribution terminals and 133 retail service stations in Western Canada.

General Comments

In addition, the proposed consent order specifies that all divestitures will require the approval of the Director and that the parties must complete the sale of facilities within 12 months.

The proposed consent order reflects months of in-depth study, examination and consultation on the part of Bureau staff and the independent economic and industry experts who have worked with the Bureau over this period. "Given the public significance and complexity of this matter," said Mr. Goldman, "we spared no resources to ensure that the Bureau's examination was conducted in a thorough and careful manner. As a result," he added, "we are now in a position to provide a comprehensive analysis of the transaction in the documents filed or to be filed before the Competition Tribunal in conjunction with the proposed consent order."

Summary of the proposed consent order

A. Imperial will be required to divest:
   - the Texaco Eastern passage refinery and marine terminal in Dartmouth, Nova Scotia, as well as related assets and contracts;
   - 13 additional storage and distribution terminal facilities located throughout Canada;
   - 543 retail service stations located throughout Canada.

B. In addition, Imperial Oil will assure supply of gasoline to independents in Ontario and Quebec for a minimum of seven years and a maximum of 10 years.

C. The Director may apply to the Tribunal in the first three years of the order to either vary the terms of the duty to supply or to seek any other remedy under the merger provisions of the Act if such variation is inadequate; in the following four years, the Director may seek a variation in the terms of the duty to supply.

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Copies of the documents filed by the Director are on the public record at the Competition Tribunal, 90 Sparks St., Ottawa, Ontario, K1P 5R5, (613) 957-3172.

- 30 -

Reference: Linda R. Bergeron (Version française
(819) 953-5303 disponible)

Additional materials available:
. backgrounder on the transaction
. schedules to the backgrounder listing:
- terminal divestitures
- retail divestitures by province and communities.

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10228 Immediate Release

No challenge to Wardair and PWA merger

OTTAWA, April 24, 1989 -- The Director of Investigation and Research, of the Bureau of Competition Policy, confirmed today that the proposed acquisition of Wardair Inc. by PWA Corporation will not be challenged at this time.

On April 14, 1989, the Director said, in announcing his decision, that the acquisition of Wardair Inc. by PWA Corporation would significantly change the nature of competition in the domestic airline industry. This conclusion was based on the factual premise that Wardair Inc. was a failing firm within the meaning the Competition Act, and that there were not, at the time of the announcement, other viable offers to purchase Wardair Inc. The Director stated that he would monitor whether any material change to the factual premises occurred before April 24, 1989. This date was the earliest date at which PWA Corporation could take up the shares of Wardair Inc.

"There has been no material change in the facts upon which the decision was based" said Calvin S. Goldman, Q.C. Director of Investigation and Research. "Although potential bidders have expressed some interest in acquiring Wardair, no firm written offers have been brought forward. This is in spite of potential bidders' awareness of the situation since the acquisition was originally announced on January 19, 1989, and extensive recent publicity surrounding the companies' April 6th announcement, that the Bureau had reaffirmed the requirement to clearly demonstrate that there were no viable alternatives to the proposed merger.

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Reference: Howard Wetston
(819) 994-1860

(Version française disponible)

(Information document follows)

NR-89-22

Canada

News Release

Consumer and Corporate Affairs Canada | Consommation et Corporations Canada

NR-10218 Immediate Release

DIR intends to challenge Baxter/McKay's dairy merger

OTTAWA, April 20, 1989 -- The Director of Investigation and Research of the Bureau of Competition Policy has advised Baxter Foods Limited that he intends to file an application before the Competition Tribunal for a remedial order in the matter of Baxter's acquisition of the dairy processing business of McKay's Dairy Limited.

The merger closed on January 3, 1989 but undertakings were provided by Baxter Foods Limited to hold the operations of McKay's Dairy Limited separate and apart until the completion of the Bureau's examination of the transaction. Following a thorough review, the Director concluded that the acquisition of the dairy processing business of McKay's Dairy by Baxter Foods will likely prevent or lessen competition substantially in the fluid milk market in New Brunswick. The Bureau examination included the review of substantial documentary evidence submitted by the parties and others, the views of industry participants and the advice of independent consultants.

The transaction involves the processing, distribution and sale of fluid milk, an essential food item for more than 712,000 New Brunswick residents.

Prior to the merger, Baxter Foods Limited was the largest processor of fluid milk and other dairy products in New Brunswick. McKay's Dairy Limited is an established family business, operating out of Moncton. In addition to McKay's Dairy and Baxter Foods, there are two other significant processors of fluid milk in New Brunswick whose market shares are considerably less than Baxter Foods.

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Canada

In addition to the high market shares and concentration levels which would result from this transaction, the Director's decision is based on other factors under the Competition Act, which include the absence of foreign competition, barriers to significant entry into this market and the removal of an effective competitor.

The Director recognized that, while the New Brunswick government is in the process of conducting a study that could re-institute price or other regulatory controls for the sale of fluid milk, the industry has not been subject to specific effective regulation since 1983 which would preclude the application of the Competition Act at this time.

If there is a material change in the premises on which the Director's decision is based, he will reconsider his intention to apply to the Competition Tribunal.

Discussions between the Bureau of Competition Policy and Baxter Foods Limited are ongoing.

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Reference: John Barker
(819) 953-4308

(Version française disponible)

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10206 Immediate Release

Proposed PWA Acquisition of Wardair

OTTAWA, April 14, 1989 -- The proposed acquisition of Wardair Inc. by PWA Corporation will be allowed to proceed with no challenge at this time by the Director of Investigation and Research of the Bureau of Competition Policy.

The acquisition was the subject of a comprehensive examination under the Competition Act which included extensive documentary evidence from the parties and the views of industry participants, consumer interests, independent industry and economic experts and accounting professionals. The examination also included a careful assessment of evidence on the financial condition of Wardair Inc. as well as the likelihood of possible alternative purchasers to PWA Corporation.

The Bureau's review concluded that, although the acquisition would significantly change the nature of competition in the market for domestic scheduled airline services, Wardair's serious financial difficulties, which were confirmed by an independent accounting firm retained by the Bureau, indicated that Wardair would be likely to fail.

"Although this acquisition will raise concentration in the industry and remove Wardair as an effective competitor, clear evidence of Wardair's likely financial failure and the absence of any other firm written offer to acquire Wardair were the overriding factors at this time." said Calvin S. Goldman, Q.C., Director of Investigation and Research, Bureau of Competition Policy, in announcing his decision.

The examination of a merger proposed in the context of a "failing firm" argument involves an analysis of two key factors:

- the financial health of a party to a merger. A firm that is facing certain and imminent financial failure will cease to exercise any competitive influence in

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the market after its failure. Therefore, the loss of its influence in the marketplace cannot be directly attributed to the merger.

- the existence of other viable alternatives to the merger including another purchaser.

The examination of the Wardair/PWA proposed merger concluded that Wardair is a failing firm within the meaning of the Competition Act. Wardair has experienced severe financial difficulties which resulted in an operating loss of $110 million for the year ended December 31, 1988. Significant operating losses are continuing to occur.

"Since January 19, 1989, when the proposed merger was publically announced, I informed Wardair more than once that they must seek alternative purchasers. Although there have been some preliminary expressions of interest in Wardair, no other firm written offer to acquire the company has come forth," said Mr. Goldman.

The Bureau concluded therefore that there are no other concrete alternatives to the merger.

The Director will, however, monitor if there are any material changes in the factual premises upon which his decision is based in the period before April 24th which is the date on which the shares can be taken up if the offer is extended by PWA today in accordance with the provisions of the National Transportation Act or securities legislation.

The Director further indicated that he intends to closely monitor the effects on competition in the domestic scheduled airline services market affected by this acquisition. The Competition Act provides a three-year period during which the Director can make an application to the Competition Tribunal for a remedial order, should circumstances warrant.

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Reference: Barbara Uteck
(819) 997-2858

(Version française disponible)

NR-89-18

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Chronology of events in the matter of PWA/Wardair

January 18, 1989	Memorandum of Understanding is signed by PWA and Wardair.
January 19, 1989	Wardair publicly announces proposed acquisition by PWA.
January 25, 1989	Bureau receives an indication of interest from an alternate potential purchaser; after review, the potential purchaser decides not to pursue.
February 2, 1989	Bureau of Competition Policy advises Wardair that efforts must be made to seek alternate buyers.
February 4, 1989	National Transportation Agency publishes public notice of proposed acquisition.
February 16, 1989	Wardair submits "failing firm" arguments to Bureau of Competition Policy.
March 1, 1989	Offer to purchase is made by PWA Corporation.
March 22, 1989	National Transportation Agency completes its review of proposal and advises parties that it will allow proposed transaction to proceed.
March 22, 1989	Bureau further advises Wardair to seek alternate purchasers.
March 23, 1989	Bureau received an appliction by six Canadian residents (filed through the Consumers' Association of Canada) and initiated a formal inquiry under section 10 of the Competition Act.
March 31, 1989	National Transportation Agency gives reasons for its decision to allow proposed acquisition to proceed.
April 6, 1989	PWA Corporation and Wardair issue a joint news release reporting the Bureau's request to seek alternate purchasers.
April 13, 1989	Bureau receives some further preliminary expressions of interest.
April 14, 1989	Termination date for PWA Corporation offer, unless extended by PWA.

s Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10212 Immediate Release

DIR announces decision on sale of B.C. assets of Palm Dairies Limited

OTTAWA, March 31, 1989 -- Calvin S. Goldman, Q.C., Director of Investigation and Research of the Bureau of Competition Policy, announced today that he will not, at this time, file an application with the Competition Tribunal opposing the acquisition by Fraser Valley Milk Producers Co-operative Association (Fraser Valley) and Island Farm Dairies Co-operative Association (Island Farms) of the British Columbia assets of Palm Dairies Limited (Palm)

Fraser Valley, Island Farm and Palm are major suppliers of fluid milk and other dairy products within the province of British Columbia. Fraser Valley proposes to acquire all of Palm's assets located on the mainland of British Columbia while Island Farms will acquire all assets located on Vancouver Island.

In arriving at his decision, the Director obtained a substantial amount of information from the three dairies involved and sought the views of customers, competitors and others knowledgeable of the industry. In addition, the Director retained legal, economic and accounting experts to advise him in this matter.

As a result of his examination of the transaction in light of the factors contained in section 93 of the Act, the Director had serious concerns as to the impact on competition that would result from the acquisition of the Palm assets by its major competitor in the relevant markets within the province of British Columbia. However, as a result of information provided by Palm, the Director was satisfied that the B.C. operations of Palm were in severe financial difficulty. The continuing deteriorating financial conditions of the B.C. division of Palm was also of considerable concern to the primary lender to the Palm

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organization. After receiving the advice of accounting experts, the Director concluded that the B.C. operations of Palm were likely to fail if matters continued as they were.

He was also satisfied that efforts were made to offer the B.C. assets to a number of other parties but that there were no other viable purchasers other than Fraser Valley and Island Farms. He therefore concluded that, given the financial condition of Palm's B.C. operations and that no alternative buyers were identified, liquidation was the only alternative to the sale of the assets to Fraser Valley and Island Farms.

Mr. Goldman was also of the view that were the assets of Palm to be liquidated, there was not likely to be a purchaser which would continue the operation in British Columbia. As such, he was of the opinion that entry into the B.C. milk market would not be significantly easier if the merger was challenged and liquidation occurred.

Given the particular facts set out above, the Director has decided, at this time, not to place an application before the Competition Tribunal. However, he will be monitoring the market in British Columbia and has emphasized that if facts come to his attention concerning either or both of these transactions that would warrant placing an application before the Competition Tribunal, he will not hesitate to do so within the three year period provided by the Act.

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Reference: John Barker
(819) 953-4308

(Version française disponible)

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10194

Immediate release

DIR statement on Imperial Oil's acquisition of Texaco Canada shares

OTTAWA, February 24, 1989 -- The Director of Investigation and Research of the Bureau of Competition Policy, Calvin S. Goldman, Q.C., stated today that the acquisition of the shares of Texaco Canada Inc. by Imperial Oil Limited does not in any way affect the Bureau's ongoing examination of the transaction under the Competition Act. The parties are proceeding at their own risk by closing the transaction prior to the conclusion of the DIR's examination.

Mr. Goldman said that he expects to conclude his examination by mid-April, and indicate then what specific action will be taken under the Act. The Director is currently seeking information and views from a variety of sources including customers, competitors, industry and consumer associations.

Mr. Goldman indicated that there are a number of competition concerns in relation to the downstream sector and, on the basis of the examination to date, divestitures of assets in that sector are likely to be required. The downstream sector of the Canadian petroleum industry includes petroleum refining, distribution and marketing through various means including retail service stations.

In this regard, on January 20, 1989, Imperial Oil gave unconditional undertakings to the Director to divest itself of any assets necessary to alleviate the competition concerns in the downstream sector.

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Canada

The acquisition of Texaco by Imperial is also subject to undertakings Imperial has provided to the Director to hold separate and apart from Imperial Oil the downstream operations of Texaco pending the resolution of the competition concerns.

In regard to the upstream sector, which includes exploration for and production of oil and gas and pipeline transportation, Mr. Goldman said that his examination has revealed no serious competition concerns. In addition, through undertakings provided to Investment Canada, Imperial will be offering for sale $550 million of oil and gas properties which will reduce its position in the upstream sector.

Mr. Goldman said that, based on the assessment to date and having regard to the broad public impact of this merger, it is his intention to put any divestiture package which may be required before the Competition Tribunal for a hearing on a consent order basis. Mr. Goldman had advised Imperial to that effect on January 20, 1989. The scope of the hearing will be determined by the Competition Tribunal. Notwithstanding the closing, the Director has retained all rights under the Competition Act to seek any other relief which may be warranted.

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Reference: Howard Wetston
(819) 994-1860

(Version française disponible)

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10190 Immediate release

DIR's decision on E.B. Eddy sale to Scott

OTTAWA, February 10, 1989 -- Calvin S. Goldman, Q.C., Director of Investigation and Research of the Bureau of Competition Policy, announced today that he will not apply to the Competition Tribunal, at this time, for an order under the Competition Act in respect of the acquisition by Scott Paper Limited of the Sanitary Tissue Division of E.B. Eddy Forest Products Limited.

However, Mr. Goldman said that the Bureau will closely monitor the actual impact of the transaction on competition in the Canadian sanitary tissue market and particularly in Eastern Canada. The Competition Act provides a three-year period during which the Director may apply to the Competition Tribunal for a remedial order.

In arriving at this decision, Mr. Goldman and his staff conducted a thorough analysis of the likely effects of the merger on competition in the consumer and commercial segments of the market. A substantial amount of information was provided by the parties and by a significant cross-section of retailers in Canada, commercial sanitary tissue distributors and other industry participants.

Under the Competition Act, a merger is examined to determine if it will result in a substantial prevention or lessening of competition in the relevant market. The Act also provides that a finding that a merger substantially lessens competition cannot be based only on evidence of market share or industry concentration; other qualitative factors must be taken into account in assessing competition.

The Director recognized that the transaction would result in the removal of Eddy as an effective competitor and also increase Scott's market share in the various categories within the sanitary tissue market. At the same time, the Director was satisfied that a number of other competitors should be able to provide effective competition, in the market.

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Canada

He also took account of the recent significant entry into the market by certain companies together with announced increases in capacity by others. In addition, Mr. Goldman recognized the influence of foreign suppliers, many of which are located in proximity to the Canadian border, and some of which have plants with capacity in excess of the total Canadian industry. Mr. Goldman also noted that under the Free Trade Agreement the current tariff of 10.2 percent would be reduced to zero by the end of 1992. As such, he was of the opinion that there were no significant barriers to entry into this market either by domestic or foreign producers. On the basis of this assessment, therefore, the Director concluded that he did not, at this time, have grounds to file an application with the Competition Tribunal.

Mr. Goldman also observed that most retail customers and competitors consulted did not express concern that the merger would likely have serious anticompetitive effects in the industry. He further noted that Scott expects to achieve a number of efficiency benefits as a result of the acquisition, for example operating savings such as reduced freight costs, which are expected to improve the company's domestic and international competitiveness.

The Director and his staff will be monitoring the effect of the transaction on competition and the attainment of the efficiencies expected by Scott. As such, the Bureau will be seeking, and would welcome, comments or information from members of the public in relation to the transaction.

Both Eddy and Scott produce sanitary tissue products, including bathroom and facial tissue paper and paper towels and napkins. These products are sold for consumer and commercial use. Brand names under which Scott's products are sold include Cottonelle, Purex, Viva, Scotties and Scot-towel. Scott has production facilities in New Westminster, B.C. and Crabtree and Lennoxville, Quebec. The Sanitary Tissue Division of Eddy is located in Hull, Quebec and produces these products under such brand names as White Swan and Capri.

- 30 -

Reference: John Barker
(819) 953-4308

(Version française disponible)

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10192 Immediate release

DIR's decision on sale of Revelstoke Concrete Investments Inc. to CBR Cement Canada Limited

OTTAWA, February 10, 1989 -- Calvin S. Goldman, Q.C., Director of Investigation and Research of the Bureau of Competition Policy, announced today that, as a result of the sale of two ready-mix concrete plants by CBR Cement Canada Limited to Lafarge Construction Materials, he will not challenge the acquisition of Revelstoke Concrete Investment Inc. by CBR under the Competition Act.

CBR operates ready-mix concrete plants in Western Canada, and Revelstoke operated 22 ready-mix concrete plants in the provinces of British Columbia, Alberta and Saskatchewan. In only five markets did both companies operate competing plants. Based on an assessment of the factors under the Competition Act, including concentration and effective competition remaining, the Director concluded that there would not likely be a substantial lessening or prevention of competition in the Saskatoon, Calgary and Edmonton markets. However, in Grande Prairie the transaction involved the merger of the only two ready-mix operations. In Red Deer, the number of competitors would have been reduced from three to two, raising concerns regarding the effectiveness of the remaining competition.

As a result of the competition concerns raised by the Bureau, CBR provided unconditional undertakings to the Director to divest a plant in either or both of these markets should the Director ultimately conclude that competition was likely to be substantially lessened or prevented.

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Canada

A thorough review of the impact of the transaction included contacts with customers and competitors in Grande Prairie and Red Deer.

CBR subsequently divested one ready-mix plant in Grande Prairie and one in Red Deer to Lafarge, a division of Lafarge Canada Inc. The sale of these two plants alleviated the Director's concerns regarding competition in these two markets.

- 30 -

Reference: John Barker
(819) 953-4308

(Version française disponible)

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10186 Immediate release

DIR announces decision on Asea Brown Boveri Inc. acquisition of power transmission and distribution business of Westinghouse Canada Inc.

OTTAWA, February 13, 1989 -- Calvin S. Goldman, Q.C., Director of Investigation and Research of the Bureau of Competition Policy, announced today that after a thorough review by the Bureau, he has concluded that the proposed acquisition, directly or indirectly, of the electric power transmission and distribution business of Westinghouse Canada Inc. by Asea Brown Boveri Inc. will likely result in a substantial lessening of competition in the market for large power transformers in Canada. The proposed merger was previously announced publicly by the companies. The Director therefore has advised the companies that he intends to file an application before the Competition Tribunal for a remedial order under the Competition Act.

The transaction involves the manufacture and sale of electric power transmission and distribution equipment. Power transformers are equipment used to step up and step down the voltage for electric power at source and destination so that it can be transmitted efficiently over long distances.

Asea Brown Boveri and Westinghouse, through its subsidiary Transelectrix Technology Inc., are the only manufacturers in Canada of very large transformers with a power rating greater than 400 MVA. Along with Federal Pioneer, they are the only manufacturers in Canada of large transformers rated between 40 MVA and 400 MVA. If the merger were to proceed, Asea Brown Boveri would become the

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Canada

sole manufacturer of very large power transformers rated over 400 MVA and would also have a dominant position in the Canadian market for large power transformers rated between 40 MVA and 400 MVA.

In addition to concentration levels resulting from the proposed merger, the Director's decision is also based on other factors under the Competition Act, including an assessment of foreign competition, entry barriers, the removal of an effective competitor and efficiency considerations.

Discussions between the Bureau of Competition Policy and the parties are continuing with respect to the transaction.

- 30 -

Reference: Gilles Ménard
(819) 953-4290

(Version française disponible)

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10184 Immediate release

Commodore Business Machines Limited fined for Competition Act offences

OTTAWA, January 31, 1989 -- The Director of Investigation and Research of the Bureau of Competition Policy announced today that Commodore Business Machines Limited, a manufacturer and distributor of computer equipment for home and institutional use under model names VIC 20, PET, AMIGA and Commodore 64, of Agincourt, Ontario, was convicted and fined $95,000 by the District Court of Ontario for a total of four offences under the Competition Act.

The fine of $25,000 for one of the offences, disproportionate promotional allowances, was the highest ever imposed by a Canadian Court for this offence. The Court also issued an Order of Prohibition which prohibits Commodore and its officers and directors from continuing or repeating the offences or from doing any act or thing directed toward the offences.

Commodore pleaded guilty to discriminating between competing purchasers in the offering of quantity discounts and promotional monies. The firm also pleaded guilty to two charges of attempting to influence upwards the selling prices of various retailers.

Regarding price discrimination, Commodore granted volume rebates to Sears Canada Inc. and Zellers Inc. that were not offered to their competitors, the T. Eaton Company and the Hudson's Bay Company, who purchased larger quantities of Commodore products than did Sears or Zellers.

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Canada

The charge of disproportionate proportional allowances stemmed from Commodore's offer of additional co-operative advertising allowances to Atlantique Video and Sound Centre Ltd. of Montreal which were not also offered to Atlantique's competitors, Eaton's and F.W. Woolworth & Co. Limited.

The other two offences involved attempts by Commodore to influence Interactive Computer Systems, a Fredericton, N.B. retailer, and several members of the Quebec-based S.P.E.C. Electronic Buying Group to raise their prices for Commodore computers to price levels suggested by Commodore.

Commodore committed the offences during the years 1982 and 1983. The executive in charge of marketing at that time is no longer employed by Commodore. The trial was delayed until the Ontario Court of Appeal ruled in favour of permitting the Crown to retain certain documents seized from Commodore's files.

The Order of Prohibition issued by the Court also directs Commodore to provide a copy of the Order to various employees engaged in the selling and advertising of Commodore products. This provision is designed to ensure that employees are fully apprised of the legal obligations placed upon the company.

The Director views the significant fine levied by the Court as a deterrent to others who might contemplate similar activity.

- 30 -

Reference: Ian Nielsen-Jones
(819) 997-1209

(Version française disponible)

News Release

Consumer and Corporate Affairs Canada | Consommation et Corporations Canada

NR-10180 Immediate release

Minister responds to NDP criticism of Competition Act

OTTAWA, January 24, 1989 -- The attached letter was released today by the Honourable Harvie Andre, Minister of Consumer and Corporate Affairs.

Mr. Andre was responding to a letter from Nelson Riis, M.P. to the Honourable Don Mazankowski regarding the Competition Act and recent merger activity.

- 30 -

Reference: Jodi Redmond
(819) 997-3530

(Version française disponible)

Minister
of Consumer
and Corporate Affairs

Ministre
de la Consommation
et des Corporations

Mr. Nelson Riis, M.P.
NDP House Leader
Room 437, West Block
Ottawa, Ontario
K1A 0A6

Dear Mr. Riis:

I have been asked to respond on behalf of the Government to concerns raised in your letter of January 23, 1989, to the Honourable Don Mazankowski.

Essentially, you assert that because three corporate mergers were announced last week, Parliament should be reconvened to amend the Competition Act.

May I remind you of the following:

1. The principal purpose of the Competition Act is to maintain and encourage competition in Canada in order to promote the efficiency and adaptability of the Canadian economy. Specifically with respect to merger review, the competition standard contained in the Act is whether a merger lessens competition substantially, and not all mergers do.

2. The Director of Investigation and Research, the head of the Bureau of Competition Policy, as an independent law enforcement official, is now thoroughly examining the facts to determine whether competition in the marketplace is likely to be lessened substantially. The Director has sufficient power under the Competition Act to take whatever action may be appropriate in each case to protect competition in the Canadian marketplace.

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House of Commons Chambre des communes
Ottawa, Canada K1A 0A6

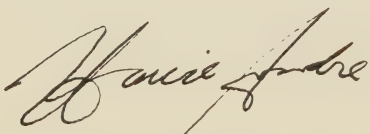
3. The new Competition Act, passed in June of 1986 has been successful in dealing with mergers and acquisitions in Canada. Statistically, the Bureau has extensively examined more than 300 mergers, of which nine have been restructured and seven have been abandoned by the parties in the face of a possible challenge by the Director. In addition, the Director has brought two other merger cases before the Competition Tribunal on a contested basis. Prior to the passage of the Competition Act, there was not one successfully-contested merger prosecution under the old Combines Investigation Act.

4. Your assertion that these mergers are related to the Free Trade Agreement is contrary to the facts. Texaco Canada's sale is related not to the FTA, but to the well-publicized financial situation of its majority shareholder, Texaco International. Similarly, the sale of Wardair is motivated by its cash flow problems and not the FTA. Finally, the FTA exempts beer and does not affect the Molson-Carling merger.

5. In addition to the Competition Bureau, Investment Canada and the National Transportation Agency will be examining the appropriate transactions to ensure government policies to protect and enhance Canadian economic interests are complied with.

In conclusion, let me assure you that the Government has the policies and agencies in place to deal with precisely these matters and it will ensure that the interests of the Canadian consumer in particular, and the Canadian economy in general, are fully protected. A parallel Parliamentary or public inquiry into these mergers could potentially cause more harm than good.

Yours sincerely,



Harvie Andre

s Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada
NR-10178

Immediate release

DIR statement on recent merger announcements

OTTAWA, January 20, 1989 -- The Director of Investigation and Research of the Bureau of Competition Policy, Calvin S. Goldman, Q.C., commented today on a number of recent merger announcements. "Companies would be taking a chance" said Mr. Goldman, "were they to close a deal before the Competition Bureau has had the opportunity to conduct a full and thorough investigation of the proposed transaction." He added: "the powers given to the Director under the Competition Act are not affected by public announcements made by the parties of a proposed transaction."

Under the Competition Act, the Director is empowered to examine all mergers or proposed mergers in Canada. Should his examination of a proposed transaction reveal that it would likely prevent or lessen competition substantially, the Director can challenge the merger by making an application to the Competition Tribunal for a remedial order with respect to a proposed or completed transaction.

"I would like it to be clear that the Competition Act provides the authority to my office to examine mergers of all sizes in all sectors of the economy, and I will not hesitate to take whatever action is required to protect competition in the Canadian marketplace" stated Mr. Goldman. "The Bureau of Competition Policy will use the necessary resources to ensure the review of these matters is conducted in a careful, thorough and professional manner. In this regard, the Bureau will continue to make use of in-house expertise as well as industry experts retained on a case by case basis."

Since the passage of the Competition Act, this approach has enabled the Director and his staff to review all significant mergers and to effectively address any competition concerns that have resulted.

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Reference: Howard Wetston
(819) 994-1860

(Version française disponible)

NR-89-5

Canada

News Release

Consumer and Corporate Affairs Canada | Consommation et Corporations Canada

NR-10176 Immediate release

D.I.R. Annual Report tabled in Commons and Senate

OTTAWA, January 11, 1989 -- Consumer and Corporate Affairs Minister Harvie Andre recently tabled in the House of Commons and the Senate the Annual Report of the Director of Investigation and Research of the Bureau of Competition Policy for the year ending March 31, 1988.

In his overview of the year's performance, Calvin S. Goldman, Q.C., the Director of Investigation and Research, identified merger review as an area of intense activity. He noted that the effective and expeditious manner in which his staff was able to carry out this function was largely due to a compliance-oriented approach, an open-door policy and a commitment to timely, fully-informed decisions.

The compliance-oriented approach was also applied to the enforcement of other sections of the Competition Act. During the year several major inquiries were resolved through the use of prohibition orders issued on consent rather than through contested litigation. The use of these orders provided a prompt and effective remedy for consumers and industry participants resulting in considerable savings for Canadian taxpayers. For example, in January 1988, prohibition orders were issued against two county law associations in relation to allegations of the fixing of legal fees for real estate transactions; and against Sears Canada in a case concerning performance claims made for radial tires.

The compliance-oriented approach was also employed in resolving a twenty-year old inquiry under the conspiracy sections of the Competition Act involving 18 trucking companies and the Western Transportation Association.

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Canada

Mr. Goldman highlighted his selective and strategic approach to intervention work. During the year, the Director participated in the Canadian Import Tribunal's inquiry into the matter of alleged injurious dumping of cars by Hyundai Motor Company of Korea. The statement of reasons given for the no injury finding shows that the Tribunal accepted many arguments put forward by counsel for the Director. In Mr. Goldman's view, Hyundai is a good example of the kind of proceeding on which the Bureau should be focusing resources because of its wide-ranging effects.

The 1988 Annual Report has a new easier to read format. It begins with the Director's overview and includes a new chapter on mergers supplemented by a detailed appendix on merger examinations concluded.

Copies of the Report, may be obtained from the Publication Centre of the Communications Branch, Consumer and Corporate Affairs Canada, or from the Publishing Centre, Supply and Services Canada.

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Reference: Howard Wetston
(819) 994-1860

(Version française disponible)

News Release

Consumer and Corporate Affairs Canada | Consommation et Corporations Canada

NR-10162 Immediate release

Trailmobile fulfills undertakings to D.I.R.

OTTAWA, January 9, 1989 -- The Director of Investigation and Research under the Competition Act announced today that The Brantford Group of Companies Ltd. (formerly The Trailmobile Group of Companies Ltd.) has fulfilled its undertakings to sell all right to, title to and interest in the Trailmobile name and associated intellectual property, including drawings and designs used in the manufacture of highway trailer vans.

The Trailmobile trade name and associated intellectual property have been sold to Durabody and Trailer Ltd. of Bondhead, Ontario. Durabody is a manufacturer of truck bodies and trailer vans. Its intention is to use the name and designs to continue the production of Trailmobile trailers in Canada.

The Director will continue to actively monitor developments in the highway trailer van market for a three-year period provided under the Act.

- 30 -

Reference: Gilles Ménard
A/Chief
Merger Branch
Bureau of Competition Policy
(819) 953-4290

(Version française disponible)

NR-89-3

Canada

News Release

Consumer and Corporate Affairs Canada | Consommation et Corporations Canada

NR-10174 Immediate release

DIR announces decision on Provigo acquisition of two Steinberg supermarkets

OTTAWA, December 20, 1988 -- The Director of Investigation and Research of the Bureau of Competition Policy, Calvin S. Goldman, Q.C., announced today that as a result of undertakings given by Provigo Distribution Inc. (Provigo), he will not challenge, at this time, the acquisition by Provigo of two supermarkets operated by Steinberg Inc. As originally proposed, the purchase of these supermarkets raised concerns under the Competition Act for the Director. Provigo therefore proposed undertakings designed to address those concerns. The supermarkets involved in the transactions are situated in Baie-Comeau and Sept-Îles, Quebec.

Mr. Goldman explained that Provigo had initially informed the Bureau of its intention to purchase seven Steinberg supermarkets in the province of Quebec. After conducting a preliminary examination, the Director informed Provigo that while no major competition concerns arose from the acquisition of five of the supermarkets, he had concerns under the Act regarding the effects on competition which would result from the acquisition of the two supermarkets in Baie-Comeau and Sept-Îles.

Subsequently, Provigo announced on October 25, 1988, the purchase of supermarkets in Laval, Quebec City, Chicoutimi, Jonquière and Thetford Mines. In order to address the Director's concerns with respect to the Baie-Comeau and Sept-Îles acquisitions, Provigo proposed certain undertakings.

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In particular, Provigo undertook to divest itself of one of its supermarkets in Sept-Îles by selling it to a third party who will continue to operate it as a food store. As well, Provigo undertook to franchise to a third party one of its existing corporate stores in Baie-Comeau. Provigo has undertaken to consent to an Order by the Competition Tribunal if these undertakings are not fulfilled as required. The Director expects these undertakings will mitigate his concerns regarding the impact on competition of the acquisition of these stores by Provigo.

Mr. Goldman further indicated that he intends to closely monitor the effects on competition in the two markets affected by the acquisition. The Competition Act provides a three-year period during which the Director can make an application to the Competition Tribunal for a remedial order, should circumstances warrant.

- 30 -

Reference: John Barker
(819) 953-4308

(Version française disponible)

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10164 Immediate release

Real estate inquiry resolved by Order of Prohibition

OTTAWA, December 20, 1988 -- Calvin S. Goldman, Q.C., Director of Investigation and Research of the Bureau of Competition Policy, announced that the Federal Court of Canada has issued an Order of Prohibition today under the Competition Act, thereby ending a number of inquiries into the Canadian real estate industry. The Order was applied for by the Attorney General of Canada upon consent of the named respondents.

Named as respondents in the Order are: Chambre d'Immeuble du Saguenay-Lac St. Jean Inc., Chambre d'Immeuble de Québec, Chambre d'Immeuble de Montréal, Chambre d'Immeuble de l'Outaouais Inc., Association of Regina REALTORS Inc., Calgary Real Estate Board Co-Op Ltd., Fraser Valley Real Estate Board, Windsor-Essex County Real Estate Board, London and St. Thomas Real Estate Board, and The Canadian Real Estate Association (CREA).

The Order of Prohibition is designed to enhance competition in the marketplace by eliminating certain impediments to competition. In particular, the Order prohibits the respondents from fixing or controlling commission rates and fees for the Multiple Listing Service (MLS) or other listing services and it prohibits the restriction of the advertisement of rates and fees in any publication. In addition, boards are prohibited from restricting the offering of incentives to homeowners for listing their property. Furthermore, boards cannot refuse board membership and access to the MLS system and other real estate board services to any licensed sales personnel who meet reasonable financial and educational criteria.

CREA approached the Director in September 1987 in relation to a number of on-going inquiries under the Competition Act that had resulted from complaints by consumers and members of the real estate industry. Following extensive negotiations with CREA and the boards under inquiry, Mr. Goldman proposed the terms of the Order to the Attorney General who then made the application to the Federal Court of Canada.

This form of resolution was adopted because the strong terms and stringent requirements of the Order of Prohibition will provide an effective and immediate remedy to anti-competitive practices in the industry. In addition, other real estate boards not subject to the Director's inquiries have agreed to comply with the terms of the Order.

"This solution and its acceptance by the real estate industry will benefit consumers by ensuring that fair and unfettered competition will exist in the delivery of real estate services in Canada. The Order will ensure that there is little possibility for constraints or impediments to a fully competitive Canadian real estate market. Furthermore, widespread compliance with the Competition Act has now been achieved across Canada without the uncertainty of extensive, lengthy and often costly litigation," Mr. Goldman stated.

He also noted that The Canadian Real Estate Association had been instrumental in resolving the Bureau's concerns through the adoption of the consent order procedure. The Director stated that this resolution is consistent with the compliance-oriented approach that the Bureau has taken to enforcement of the Competition Act since its passage in 1986.

Reference: Ian Nielsen-Jones
(819) 997-1209

(Version française disponible)

News Release

Consumer and Corporate Affairs Canada | Consommation et Corporations Canada

NR-10168 Immediate release

Minister comments on real estate inquiry

OTTAWA, December 20, 1988 -- The Minister of Consumer and Corporate Affairs Canada, the Honourable Harvie Andre, commented today on the Federal Court's decision concerning inquiries conducted by the Director of Investigation and Research into the Canadian real estate industry.

"I am very happy with the Court's decision," said Mr. Andre. "This decision means that the marketplace will decide real estate rates in Canada rather than any group of companies in a real estate board. With the increased competition, I would hope to see lower commission rates and a variety of new and innovative real estate services for Canadian consumers."

The Court issued an Order that prohibits the Canadian Real Estate Association (CREA), as well as nine real estate boards that were investigated, from engaging in certain anti-competitive practices.

"This kind of resolution," concluded Mr. Andre, "was made possible through the new and strengthened provisions of the Competition Act passed by the Government in 1986."

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Reference: Sheila Frame
(819) 997-3530

(Version française disponible)

NR-88-64

Canada

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10158 Immediate release

DIR files application with Competition Tribunal

OTTAWA, December 15, 1988 -- The Director of Investigation and Research of the Bureau of Competition Policy, Calvin S. Goldman, Q.C., today announced that he has filed an application with the Competition Tribunal in relation to Chrysler Canada Ltd.

The application, filed under section 75 of the Competition Act, asks the Tribunal to order Chrysler Canada Ltd. to supply Chrysler automotive parts for export purposes to Richard Brunet of Montreal.

This is the first application to the Competition Tribunal specifically brought under provisions of the Competition Act dealing with refusal to supply.

Under the rules of the Competition Tribunal, Chrysler has thirty days to file a response.

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Reference: Wayne Critchley
(819) 997-4246

(Version française disponible)

NR-88-61

Canada

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-11044 Immediate release

DIR announces decision on Wolverine acquisition of Noranda Metal Industries

OTTAWA, November 2, 1988 -- Calvin S. Goldman, Q.C., Director of Investigation and Research of the Bureau of Competition Policy, announced today that he will not at this time apply to the Competition Tribunal for an order in respect of the acquisition by Wolverine Tube (Canada) Inc. of substantially all of the assets of Noranda Metal Industries Limited (N.M.I.).

Wolverine and N.M.I. are manufacturers of seamless copper tubing, which is widely used in plumbing, construction and industrial applications. N.M.I. is also a major Canadian producer of copper strip and rod products.

The Director noted that the acquisition by Wolverine of N.M.I.'s sizeable strip and rod operations did not raise any competition concerns because Wolverine did not compete in this segment of the industry.

Mr. Goldman said, however, that he intends to monitor closely the impact of this merger on competition in the Canadian market for seamless copper tubing products.

In arriving at this decision, the Director and his staff extensively examined the information provided by Wolverine, N.M.I. and other market participants. The views of a significant cross-section of Canadian purchasers of these products were also obtained.

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Canada

The Director was advised by N.M.I. that it had concluded that its tube mill operations in Montreal, Quebec and New Westminster, B.C., and related activities, were not a sustainable business as a stand-alone company. N.M.I. confirmed that there were no other viable purchasers. Therefore, Noranda Inc., N.M.I.'s parent company, indicated that its only alternative to the merger was to liquidate the business which would involve the cessation of operations at these two mills. In these circumstances, it was apparent that the seamless copper tube industry in Canada would become a one-firm industry, whether or not the transaction proceeded.

By contrast, the merger should not only ensure that the assets in question will continue in production, but will enable Wolverine to realize significant efficiency gains, thereby becoming a more effective international competitor.

The Director emphasized, however, that he will be monitoring market developments, including the extent to which imports of seamless copper tubing into Canada provide effective and vigorous competition to Wolverine.

Mr. Goldman emphasized that if facts come to his attention concerning the merger that would warrant an application to the Competition Tribunal, he will not hesitate to do so within the three-year period provided for in the Competition Act.

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Reference: Gilles Ménard
(819) 953-4290

(Version française disponible)

Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10142

Immediate release

DIR announces decision on Newfoundland Dairy Merger

OTTAWA, October 7, 1988 -- Calvin S. Goldman, Q.C., Director of Investigation and Research of the Bureau of Competition Policy, announced today that he is not applying to the Competition Tribunal for an order prohibiting the merger of Sunshine Dairies and Brookfield Ice Cream Limited, the second and third largest of Newfoundland's three dairies.

The Director's decision was based on a number of specific factors. Among these was his conclusion that Central Dairies, the remaining processor, would continue to provide effective and vigorous competition in the marketplace. Also, the merger would create a stronger and better positioned competitor to Central Dairies throughout the province. Therefore, customers and consumers will continue to benefit from competitive sources of supply and variety of choice. In addition, Mr. Goldman recognized that the merging parties will be further constrained in their activities by the buying power of major customers and the significant role played by the Newfoundland Milk Marketing Board with respect to the processing and pricing of fluid milk, the major product produced by both companies.

Upon becoming aware of the proposed merger, the Director immediately began an examination to determine its likely effect on competition. In the course of the examination, the Director received considerable information from the parties, customers, and competitors as well as the Newfoundland Milk Marketing Board. He also received advice from the federal Department of Justice.

After a thorough examination of the matter, Mr. Goldman concluded that the merger would not likely prevent or lessen competition substantially in the production and sale of dairy products in Newfoundland.

- 30 -

Reference: John K. Barker
(819) 953-4308

(Version française disponible)

NR-88-52

Canada

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10138 Immediate release

DIR announces decision on Dofasco acquisition of Algoma

OTTAWA, September 30, 1988 -- Calvin S. Goldman, Q.C., Director of Investigation and Research of the Bureau of Competition Policy, announced today that he will not apply to the Competition Tribunal, at this time, for an order in respect of the share acquisition by Dofasco Inc. of The Algoma Steel Corporation.

The Director said, however, that he intends to monitor closely the impact of this merger on competition in Canadian steel markets and particularly on the market for hot rolled sheet and strip steel products. The Competition Act provides a three-year period during which the Director may apply to the Competition Tribunal for a remedial order.

In arriving at his decision, Mr. Goldman and his staff extensively analysed the likely effects of the merger on the industry with the assistance of professional economists, legal counsel and industry experts. Information was provided by the parties, other industry participants and a significant cross-section of Canadian steel purchasers.

The Director said that although Dofasco and Algoma are respectively Canada's second and third largest fully integrated steel makers, the two companies have concentrated a large proportion of their production in separate product markets.

Both Dofasco and Algoma are, however, major producers of hot rolled sheet and strip steel and this product market was the main focus of the Director's examination.
Mr. Goldman noted that hot rolled steel is currently in tight supply worldwide. As a result, a number of Canadian customers, who are now on supply allocation, have welcomed Dofasco's announced expansion plans for Algoma's steelworks in Sault Ste-Marie, Ontario, and at its own mills in Hamilton, Ontario.

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Under the Competition Act, a merger is examined to determine if it will result in a substantial lessening of competition in the relevant market. The Act also provides that a finding that a merger substantially lessens competition cannot be based only on evidence of market share or industry concentration; other qualitative factors relevant to assessing competition must be taken into account.

In reviewing this transaction, the Director considered a number of factors including the extent of present and potential foreign competition in the Canadian market for these types of steel; the likelihood of increased supply as a result of the merger; the countervailing purchasing power of buyers of steel; the extent to which Algoma was an effective competitor in hot rolled steel; and effective competition remaining in the market. He also noted that Dofasco expects to achieve a number of efficiency benefits because of its acquisition of Algoma. These efficiencies are expected to arise in relation to capital expansion and operating savings, such as rationalization of product lines and reduced freight costs.

As a result of this examination, Mr. Goldman is satisfied at the present time that he does not have sufficient grounds to proceed to the Competition Tribunal for an order. Mr. Goldman also observed that a good number of steel customers consulted did not express concern at this time that the merger would likely have serious anticompetitive effects in the industry. However, as a result of the significance of the merger, in relation to structure and operation of the Canadian steel industry, the Director will monitor the future effects of the merger.

- 30 -

Reference: David McAllister (Version française
(819) 953-4354 disponible)

Jacques Cloutier
(819) 953-7092

News Release

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

NR-10124 Immediate release

D.I.R. accepts revised undertakings from Trailmobile

OTTAWA, July 11, 1988 -- The Director of Investigation and Research under the Competition Act, Calvin S. Goldman, announced today that he has agreed to a request from the Trailmobile Group of Companies Ltd. to revise the scope of the undertakings to sell the Trailmobile van business. The announcement comes as a result of a restructured merger plan between Trailmobile and Fruehauf Canada Inc., and developments in the Canadian van market since January 1988. The restructuring involves a full merging of the trailer manufacturing operations of Trailmobile and Fruehauf which is designed to achieve significant efficiency gains. The continuing company will produce trailers under the Fruehauf name.

The January 1988 undertakings were given to the Director by Trailmobile in order to alleviate concerns that Trailmobile's acquisition of Fruehauf would likely result in a substantial prevention or lessening of competition in the Canadian market for highway trailer vans.

In its initial merger proposal Trailmobile had proposed to operate the two van businesses separately, but under common ownership. Efficiencies would not flow from such a merger. Following its acquisition of Fruehauf, in January, Trailmobile made the revised proposal which involved a full merger of the trailer manufacturing operations of the two companies.

Subsequently, at the request of Trailmobile and in consideration of significant market developments, the

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Canada

Bureau of Competition Policy conducted a full reassessment of the competitive impact of the merger. This revealed that since January 1988 there has been a significant downturn in the overall demand for vans, which has led to aggressive pricing on the part of suppliers.

In addition, American highway trailer van manufacturers have begun to establish a greater presence in the Canadian market. As well, the increased value of the Canadian dollar vis-à-vis the American dollar has narrowed the cost differential between Canadian and American manufactured vans. Also, submissions by Trailmobile indicate that significant efficiency gains are likely to arise from a full merger of the trailer manufacturing operations of Trailmobile and Fruehauf envisaged by the new proposal.

To alleviate remaining competitive concerns and to facilitate the likelihood of entry into the Canadian van market, Trailmobile has undertaken to sell the Trailmobile name and associated intellectual property (including drawings and designs used in the manufacture of vans).

In light of present market conditions, the likely efficiency gains, and the proposed implementation of the Free Trade Agreement between Canada and the United States, the Director has agreed to revise the original undertakings, and has decided to accept Trailmobile's undertaking to sell the trade name and to monitor market developments for a three-year period to ensure no substantial prevention or lessening of competition occurs.

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